



THE INDEPENDENT

No 8,167

FRIDAY 13 DECEMBER 1996

WEATHER: Wintry showers

(R 45P) 40p



NEWS

Spice Girls vote Tory

PAGE 7



DEBATE

Do homosexuals have to be gay?

PAGE 20



COMMENT

Suzanne Moore: why I buy Barbies

PAGE 21

Major turns down 'sleaze' plea

Anthony Bevins
Political Editor

The Prime Minister has rejected an anti-sleaze demand that companies employing MPs should not be allowed to bid for public contracts. The Independent has learned that at least three former ministers are linked to companies associated with bids for the £1.6bn sale of Ministry of Defence married quarters.

This is the deal that prompted Conservative MP Richard Shepherd to urge John Major to act, to counter any perception of sleaze. In a letter to Mr Major, the MP pleaded: "I would suggest that if the Government announces that no public

contracts will go to any firm that employs a Member of Parliament, the question of 'sleaze' cannot reasonably arise." But the Prime Minister has turned him down.

While there is no suggestion of any impropriety in the latest cases, and current parliamentary and Whitehall rules on MPs' conduct and government commercial contracts make no reference to the issue, Lord Nolan has recently been asked by Opposition spokesman Derek Foster to investigate the involvement of Tory interests in companies bidding for contracts.

Witnesses at a recent hearing of the Commons Select Committee on Defence revealed that Electra Fleming, currently under attack for

the terms of its purchase of Her Majesty's Stationery Office - was one of the backers for the lease-back deal, led by Japanese bank Nippon, for 2,370 MoD homes. The committee was told that the agreement had Mr Major's personal approval.

Electra Fleming was part of an unsuccessful consortium which bid for the MoD estates. Having succeeded, the Japanese company Nippon laid off some of its liability with United States-based finance company Black Rock, which in turn laid off £6.3m of liability with Electra Fleming.

Tim King, the former defence minister, is on the board of Electra Investment Trust plc, and former government chief whip Tim Renton is

a consultant to Robert Fleming Holdings Ltd - the parent company which each own a half stake in Electra Fleming.

A spokesman for the investment bankers Merrill Lynch Europe Ltd told The Independent that it was a member of an unsuccessful consortium bidding for the MoD estates. Sir Archibald Hamilton, another former defence minister, is a parliamentary consultant with Merrill Lynch.

A senior member of the defence committee, Liberal Democrat Menzies Campbell, told The Independent last night: "The committee would have had to peruse the register of companies in microscopic detail to establish whether there was any

connection between a serving MP and any of these firms."

A similar complaint was made by Mr Shepherd last October in a letter to the Prime Minister, when he said: "A reading of the Register of Members' Interests would not necessarily indicate that a member might be in such a position..."

Mr Major recently replied: "The Government's policy on procurement is to achieve the best value for money, normally through competition. A blanket ban on firms employing MPs might well result in the rejection of suppliers able to offer good value for money."

But in a Commons debate last Tuesday, Mr Shepherd complained

of the "curse of commercial confidentiality" - and cited the sale of MoD housing as an example of unnecessary secrecy. "I understand that members of the Select Committee on Defence were given information that was not available to other members of the House... However, the information was available to members if they had commercial associations with commercial companies that wished to make a bid. That is wildly inappropriate."

Mr Renton told The Independent last night that as a consultant to Robert Fleming, he was not involved in bids made by Electra Fleming. "The first I knew of the HMSO bid was when I read about it in the newspapers." As for its involvement with MoD housing, he said: "I know nothing. I am not on the board. I am not consulted."

Sir Archibald was not available for comment, and Mr King did not return The Independent's call.

A current Commons motion tabled by Labour frontbencher Brian Wilson says that the £54m sale of HMSO to Electra Fleming was "hopelessly tainted and against the public interest". The motion says that Robert Fleming has donated £527,000 to the Conservative Party, while Electra Investment Trust, while Mr King and Tory peer Lord Vinsom as board members, "has chipped in at least £40,000".

Barnsley chop puts Tories in minority

Town
Political Correspondent

Major was set to become Prime Minister of a minority government early today as Labour headed for a comfortable victory in the Barnsley East by-election.

That result would officially wipe out the Government's Commons majority over all the other parties.

But with a Conservative backbencher, Sir John Goss, having rejected the Tory whip in protest over emergency facilities at a local hospital, it leaves the Prime Minister's party in a minority for the first time since the Tories came to power under Baroness Thatcher.

John Prescott, deputy leader of the Labour Party, was planning to celebrate Labour's victory later today by taking the Barnsley East victory, Jeff Ennis, to Wirral South, where a second by-election is pending, to demand that Mr Major go to the country.

Mr Prescott said that he had lost the mandate to govern Britain, and said Labour would be stepping up its demands for a general election. Of the Barnsley result, he said: "It shows the country is braced off with the Tories."

Mr Prescott was hoping to celebrate another victory today with a by-election on Merseyside for the European Parliament.

With Labour defending a massive majority in Barnsley East after the death of Terry Patchett, the MP for the seat, the result was hardly in doubt.

But the loss of the Government's official majority will come as a further debilitating psychological blow to Conservative ministers and backbenchers.

It underlines the importance of the Ulster Unionists,

led by David Trimble, in proping up the Government in no-confidence votes until a general election in the spring.

The Government is likely to be defeated on Monday in a vote on European fishing policy. However, senior ministers are expected to shrug off that defeat, as it did one a year ago, to soldier on until April or May.

Senior Conservative MPs believe that Mr Trimble could help to bring the Government down in March, thus forcing a general election in April, to distance his party from the Government before the elections, and avoid being outflanked by the DUP, led by Ian Paisley.

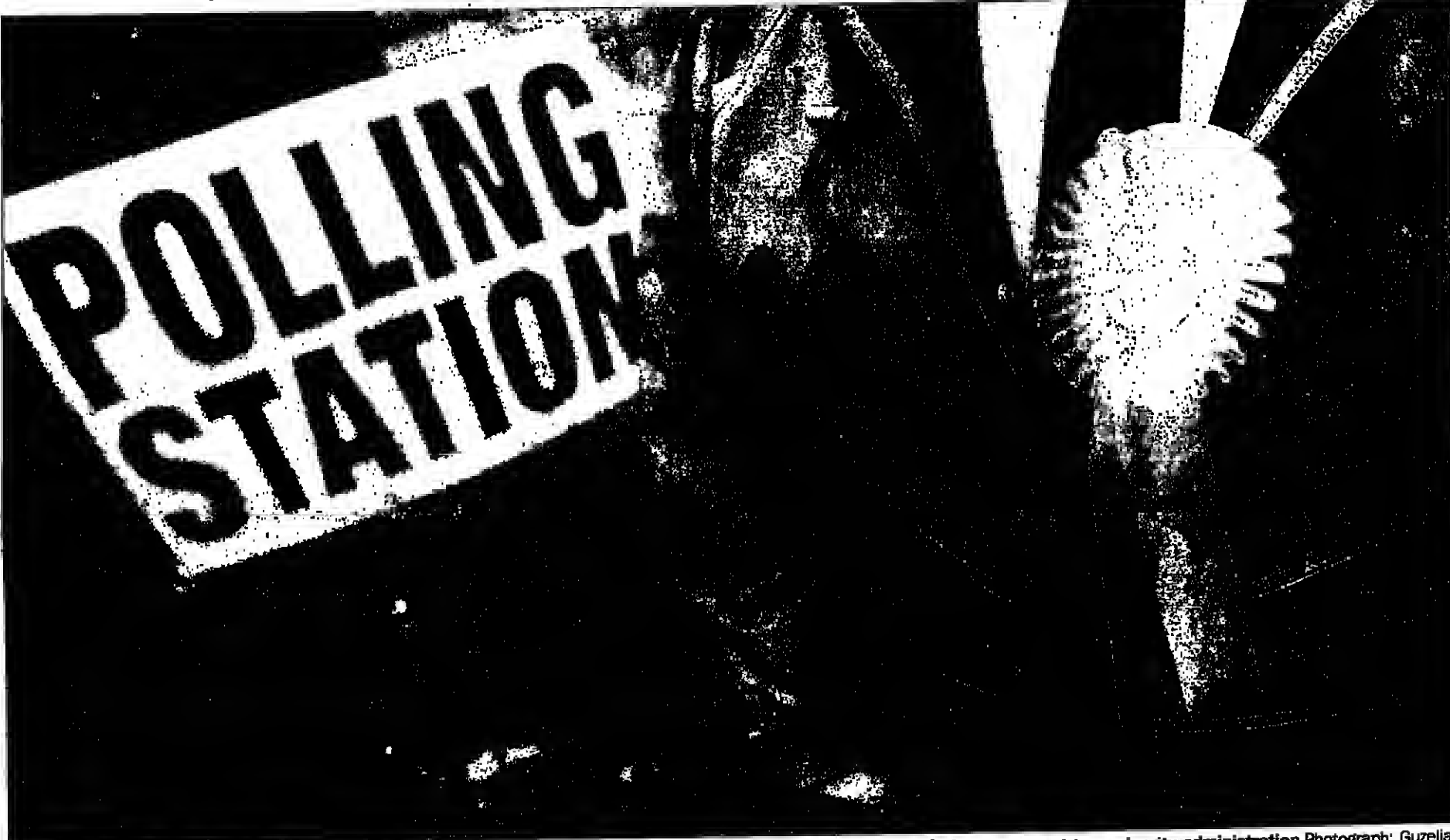
Labour strategists believe the election could take place on 10 April, although Conservative Central Office would prefer 1 May to allow tax cuts in the Budget to be felt in pay packets. They are implemented from 1 April.

Mr Ennis, 44, was planning to take his seat next week, raising Labour demands for the Government's majority to be wiped out on the standing committees which consider government Bills.

The committees are supposed to reflect the composition of the Commons, and without a majority, the Government could face difficulty in getting through its business, including the Finance Bill to implement the Budget and the NHS Primary Care Bill in the House of Lords.

But the Commons clerks have so far ruled out a change. They are insisting that the vacant Conservative seat in Wirral South, where a by-election is pending following the death of Barry Porter, remains Conservative until it changes hands.

The Government is holding off as long as possible.



Red reign: A Labour supporter canvasses in Barnsley. The party romped home in the by-election, reducing Mr Major's government to a minority administration Photograph: Guzelian

Gulf troops denied safe pesticides

Ian Burrell

British soldiers were doused in highly toxic organo-phosphate pesticides during the Gulf War, even though there was a factory making safer pesticides just half a mile from the Saudi Arabian hotel where Operation Desert Storm was planned.

The factory was set up by British scientists 15 years before hostilities began, but instead of using chemicals from the factory, army chiefs sent troops to local markets to buy cheap organo-phosphate pesticides (OPs) without adequate instructions for use.

On Tuesday, Nicholas Soames, the defence minister, announced a £1.3m inquiry into illnesses suffered by Gulf War soldiers and admitted that OP

use in the Gulf was much more widespread than Parliament had previously been told.

On the following day, the Defence Select Committee heard that 54 veterans were already being examined for suspected OP poisoning. Another 200 have illnesses which doctors cannot explain.

The Independent has established that the British pesticides factory was set up in Riyadh in 1976 by Wellcome. Known as the Saudi Chemical Insecticide and Disinfectant Co (Scidco), it was a joint venture with local investors.

It had the capacity to have protected the British Army and its products were labelled in English, French and Arabic with clear instructions for use. British troops who became

soaked in OPs said the products they used were only labelled in Arabic and they could not understand the mixing instructions.

Scidco manufactures a range of pyrethroid products approved by the UK government. Although they are also subject to misuse they are less easily absorbed through the skin and are more easily detoxified.

Boh Hill, a former company executive, said: "If the British went out and bought OPs from a local market and sprayed them on the troops somebody somewhere is responsible... We were making pesticide products which were specifically designed for use in proximity to people and were non-toxic to people."

The MoD said the team investigating pesticide use in the Gulf was not aware of Scidco.

QUICKLY

Killer bug talks

Ministers were involved in urgent talks last night on measures needed to prevent more outbreaks of *E. coli* poisoning across Britain. Page 2

Blair reaches summit

As John Major headed to Dublin for probably his last European summit showdown, Tony Blair, the Labour leader, was already there forging ties and preparing to take his seat on the European stage. Page 13

Netanyahu rallies

Benjamin Netanyahu, the Israeli Prime Minister, yesterday told settlers from the West Bank who entered Ben El, a settlement outside the autonomous Palestinian town of Ramallah, that they were "pioneers". Page 15

CONTENTS

<i>The Broadsheet</i>	
Business & City	22-26
Comment	19-21
Foreign News	12-17
Gazette	18
Home News	2-11
Law Report	18
Leading Articles	19
Letters	19
Obituaries	18
Shares	24
Sport	27-30
Unit Trusts	26
<i>The Tabloid</i>	
Architecture	6,7
Arts Reviews	18
Classical Music	16-16
Crossword	22
John Lytle	3
Listings	20-21
Pop Music	10-14
TV & Radio	23,24
Weather	22



Drink this instead.



Bass BEST SELLING PREMIUM CASK ALE SINCE 1777

The technique of yawn: is it art?

David Osborne
New York

A Canadian art student has found a curiously appropriate way to express his disgust at paintings he finds offensive, even stomach-churning. Rather than simply protesting verbally, perhaps with a "That makes me want to throw up", he actually does throw up - on the offending works.

It is a form of criticism that has got 22-year-old Jubal Brown into some trouble, not only with his faculty at the Ontario College of Art and Design but with the notable galleries where he has been chosen to perform. The Museum of Modern Art

(MOMA) in New York, for instance, did not react well when last month he heaved all over a priceless Piet Mondrian canvas, *Composition in Red, White and Blue*.

So far, however, Mr Brown has escaped serious punishment. The student affairs committee of Ontario College this week condemned his behaviour as "repulsive" in the extreme, but stopped short of recommending suspension. Mr Brown did his heaving "as an individual acting on their own as a private citizen and not as representative of the college", the committee concluded.

It could be that his superiors are secretly impressed with Mr

Brown's stomach and its acute sense of due. For when Mr Brown disgorges on a picture he finds especially deserving he makes sure that the slimy result is imbued with the proper primary colour. When he unloaded on a Raoul Dufy work at a Toronto gallery in May, he chose red and ate accordingly beforehand. For Mondrian, he settled on bright blue and gorged himself in advance on an azure cocktail of icing, yogurt and jelly.

Mr Brown, who likes to take friends along to watch, apparently needs no inducement to throw up; no fingers down the throat. The pictures alone are enough. "I go into a gallery with

my stomach full of a particular colour and whatever inspires me inspires me," he said. "It's very simple and direct."

At the MOMA, he was briefly tempted by a Picasso before awarding the Mondrian his prize. "His extreme banality made me sick," he said. MOMA, which saved the canvas from lasting damage, originally thought it was an accident but protested to Ontario College when it discovered otherwise.

Mr Brown has been told, meanwhile, to keep his vomit himself or face more serious consequences. He is unlikely to comply. With red and blue out of the way, he is now looking for a work that would benefit from



decorating in canary yellow. Might we suggest sweet corn with grated rind of lemon topped off with a double helping of Bird's custard?

news

Lesser Tory cracks over egghead's fall

With what pleasure did backbenchers on all sides of the House contemplate the fall from grace of David Willetts? For Labour members this was quite an uncomplicated emotion. From their angle of vision Willetts was a supercilious enemy egghead - his nervous, twitchy manner and beady eye making him look like the heron that lives by the pond at All Souls.

Tories had more interesting reasons for exulting at Mr Willetts' demise. The most obvious was that the appointment of a new paymaster general (a title of Heseltine grandiloquence) and the resulting reshuffle meant that someone - until then languishing on the back benches - now finds himself enjoying a



All Harry had to do was not mention Willetts, sleaze and fibbing. He really should have managed it

month or two of constrained power.

But by far the most significant reason for their pleasure is the hatred that the dim harbour for the very bright. Imagine how galling it is to watch this brain-on-legs swan into the top flight at an early age, while the chap who has been there years - who has horse sense, who knows what the voters want and how to give to 'em - has to settle for being chair of the Anglo-Andorran Parliamentary Forum. When the Labour Party's Brian Wilson described Mr Willetts as a man with "two brains and no common sense", he tapped deep into an anti-intellectualism that is shared by many MPs.

Certainly, as I peered down from my eyrie at the assembly below yesterday, I could see

many MPs who would serve their country well by resigning their seats; unlike the able Mr Willetts, they never would be missed. And little could they miss Mr Major's luck better than the fact that one of the silliest of his MPs had drawn first slot in the draw to ask him a question.

Harry Greenway, the member for Ealing North since 1979, manages somehow to be a rebuke to many professions at once. He was once a headmaster of a large school, yet behaves like the class joke of 2M. He sits on the council of the Open University, but even his most partisan colleagues snigger when he gets up to speak. Yesterday all Mr Greenway had to do was to ask Mr Major some simple question about the social chapter or

tax, and then sit down again. Only one topic - Willetts, sleaze and fibbing - had to be avoided.

And, given that his choice was the British veto, he really should have managed it. Could the Prime Minister confirm that "he will not abandon the British veto (pause) or rather, dissemble the veto"? Dissemble? Where had we heard that word before? Dissemble! shouted the Labour benches, happily. What Willetts was accused of it was, of course, completely the wrong word, unnecessarily inserted in such a way as to give maximum discomfort to the PM and maximum assistance to Mr Blair, who was away practising to be Prime Minister.

But why had Mr Greenway done it? Had the whips, noticing his name on the order paper and - after having cast their eyes to heaven - taken him aside and begged "Whatever you do, Harry, don't say 'dissemble'". Then, like the pious meeting Cyranus de Bergerac for the first time - and strictly enjoined to start after the nose - had Harry's synapses gone haywire, propelling the word "dissemble" from his memory, shooting it past his consciousness and straight into his mouth?

Whatever the explanation, it was the worst possible start to Prime Minister's Question Time, and will have left Mr Major reflecting that the worst combination in politics is no brain and no common sense.

Ministers in food-bug crisis talks

Steve Boggan

Ministers were involved in urgent talks last night on the potentially deadly effects of *E. coli* poisoning and the measures needed to prevent more outbreaks across Britain.

In moves that took opposition politicians by surprise, the Government announced the formation of a new cabinet committee on food hygiene - and within hours it held its first meeting.

The Prime Minister's office said the action demonstrated the Government's determination to uphold the highest food safety standards. However, some observers scented panic as the public geared up for a Christmas season of parties, with cold meats - especially turkey - on the menu.

"The Government wants to ensure that any lessons that can be learned from the Scottish *E. coli* outbreak are incorporated into good food safety practices," said a Downing Street spokesman.

"It will consider evidence gathered by the other inquiries into the outbreak and make recommendations to try and prevent it happening again."

The committee will be chaired by the Leader of the House, Tony Newton, and will include Stephen Dorrell, Secretary of State for Health, Michael Forsyth, the Secretary of State for Scotland, Douglas Hogg, the Agriculture Minister, and a minister from the Department of the Environment.

Among the first evidence

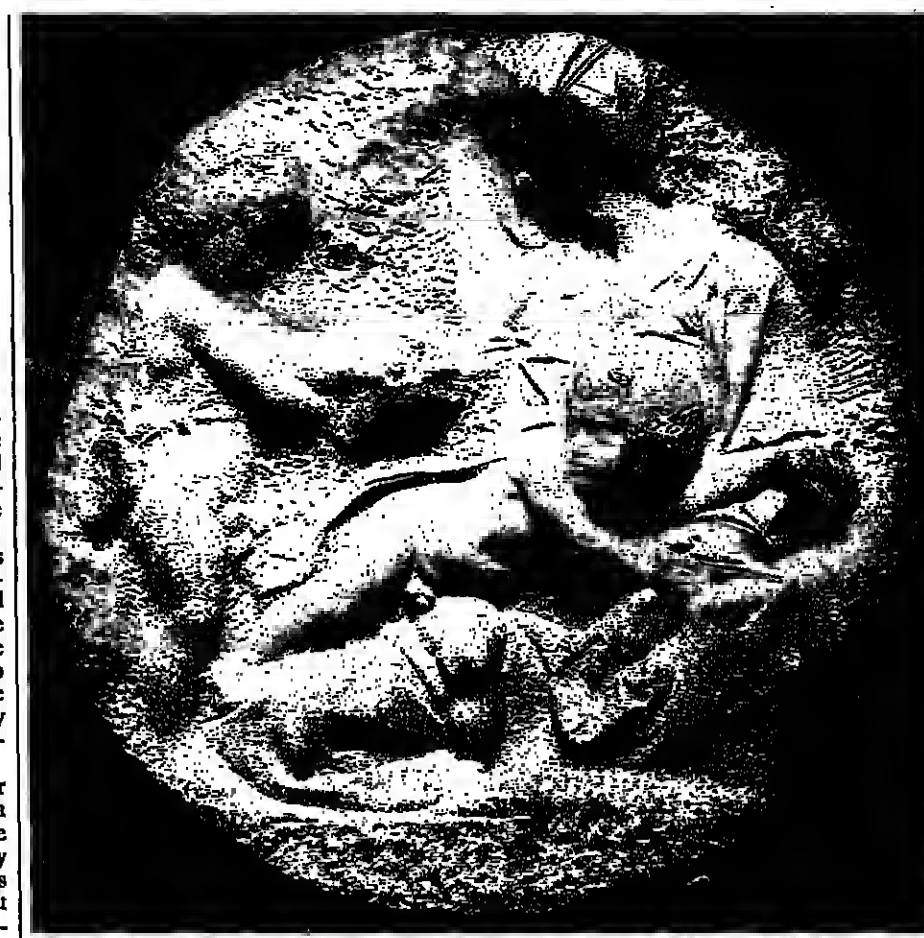
likely to be put before the committee will be the report of the expert group of food, health and medical experts led by Professor Hugh Pennington of the University of Aberdeen.

Professor Pennington has been charged with producing interim findings on the cause and implications of the Lanarkshire outbreak by the end of the year. The committee will also consider the findings of the Scottish fatal accident inquiry into the deaths of the outbreak's 11 victims.

After it was proved earlier this year that Malcolm Elgie, a Scottish sheep farmer, became infected with *E. coli* 0157 simply by coming into contact with his animals. It is understood that ministers are anxious to establish the methods by which the infection can be transmitted. Earlier this week Professor Pennington said education authorities might want to reconsider allowing children on trips to farms.

George Robertson, the shadow Scottish Secretary, welcomed the establishment of the committee, but he added: "Why did it take so long to do this? Given that a second butcher has now been named, the origin of the *E. coli* bacteria is still unclear."

There were no new reported cases of *E. coli* poisoning yesterday, leaving the number of people reporting symptoms steady at just under 400 across central Scotland. Of the 11 who died, seven are thought to have become poisoned by infected grain in pies supplied by John Barr & Son of Wishaw.



Michelangelo's *Madonna and Child*: The RA is reluctant to sell it to meet its £3m debts

Royal Academy broods on cash crisis

Some of Britain's senior artists were last night discussing a package of modernising reforms to alleviate the financial crisis at the Royal Academy, writes David Lister.

A three-hour long general assembly of academicians heard proposals by the RA's secretary, David Gordon, and the President, Sir Philip Dwyer, to change the way the 225-year-old institution is run.

The private meeting at the academy in Piccadilly, central London, was presented with a plan that would set up a "Review board" to help manage the RA's financial affairs. A leaked auditor's report last week exposed a £3m debt. The Royal Academy's greatest treasure is Michelangelo's *Madonna and Child* which would fetch at least £5m; but Mr Gordon is firmly against selling it.

Prescott savours taste of blood in Willetts affair

Colin Brown
Chief Political Correspondent

John Prescott, the deputy Labour leader, yesterday said Labour would be pursuing the "guilty men" at the heart of the Government after the resignation of David Willetts as Paymaster General.

"I don't believe that Mr Wil-

lets acted as a sole operator and made mistakes. This may be at the very heart of the government operation," said Mr Prescott.

Andrew Mitchell, a former whip, is expected to be the first to be questioned under oath under the new code of conduct by the committee on standards and privileges in the wake of the Willetts report.

"I cannot believe for a moment throughout this period of time there haven't been close discussions," Mr Prescott said.

Mr Mitchell was a whip appointed to this committee - whose job solely was to try and cover up for the Government. That is at the heart of this question, more than Mr Willetts. He has resigned but there are other guilty people involved in this operation. It involved government right at the core of its operation.

Mr Mitchell, now a social se-

curity minister, tipped off the Chief Whip in a note that he had spoken to the clerk of the predecessor committee investigating the cash-for-questions allegations against another minister, Neil Hamilton.

As a member of the committee, he had a right to speak to the clerk. But ministers said an apology was likely to be made to avoid any embarrassment for the Government. "The lesson we have learnt from the Willetts affair is to apologise," said a minister.

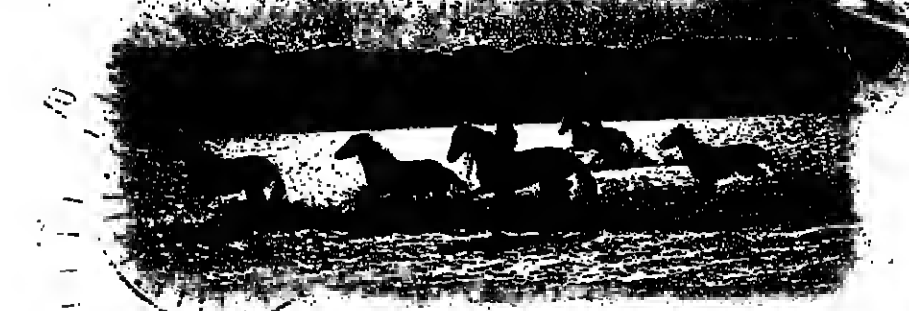
The Standards and Privileges Committee next week will question Sir Gordon Downey, the parliamentary ombudsman, on his investigation into the Hamilton affair.

The Government moved quickly to limit the damage with a mini-shuffle to fill the gaps caused by Mr Willetts' resignation - Michael Bates was promoted from the whips' office

to Paymaster General. Giles Brandreth was promoted to replace Mr Bates; and Matthew Carrington, MP for Fulham, was appointed as a whip.

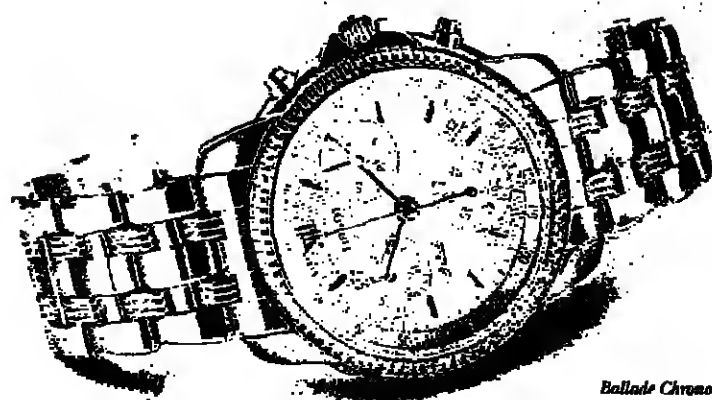
Mr Willetts also rejected calls by Mr Prescott for him to step down from politics. He said he would be continuing as the MP for Havant, and ministers, led by Stephen Dorrell, the Health Secretary, rallied round to say he would be back as a frontbencher after the election.

There were fears among the Labour leadership that the ferocity of Mr Prescott's attack could lead to a Tory backlash on the committee. Leadership sources were keen to refocus their attack on Mr Hamilton. A senior source said: "Willetts is a dead body on the battlefield. He is a distraction and so is Mitchell. We should be focusing on the main issue, which is corruption at the heart of the Government."



watch the world

The world is becoming smaller. Distances are diminishing. No matter how varied different cultures may be, we are all citizens of the blue planet. In 142 countries all around the globe, people rely on Tissot watches. For instance, on the Tissot Ballade Chrono, enticing elegance harmoniously combined with a sporty touch. Watch Tissot and watch the world.



TISSOT
Since 1853

For more information visit our website: www.tissot.ch

Millennium plan is rejected

Christian Wolmar
Westminster Correspondent

The £700m budget and business plan for the Millennium Exhibition has been rejected by the Millennium Commission. The organisers have been told to come back with new figures before the £200m earmarked by the commission for the scheme can be released.

Although the commission said it wanted the exhibition to proceed, negotiations over money will continue over the next few days because of concerns that the organiser, Millennium Central, has failed to

Concern about budget causes further delay to proposals for exhibition at Greenwich

show that the project can be delivered within the budget.

The commission issued a statement last night confirming that it wants "to proceed with the National Exhibition at Greenwich", but saying that it is "now finalising the means by which the exhibition will be delivered within an acceptable budget". The budget has also come under fierce criticism from Jack Cunningham, the shadow national heritage sec-

retary, who said that it was so poorly drafted that if "Labour councillors had come to Mr Heseltine with this type of budget, he would have thrown them out with a flea in their ears."

The commission was attempting to quash rumours that the scheme was in jeopardy, but in seeking to reduce costs questions are being posed over whether the grandiose plan to have 12 pavilions underneath a massive dome will have to be

scaled down. There are also doubts over the future of the £41m being earmarked for 72 schemes in the provinces, but these are unlikely to be axed because ministers are anxious to give the Millennium celebrations a national flavour.

Yesterday, Michael Heseltine, Deputy Prime Minister and Secretary of State for National Heritage, met to confirm the Millennium Commission's commitment to

the exhibition but until a realistic budget can be produced, Millennium Central, the scheme's future remains in doubt.

In a sense, the organisers and the exhibition designers, Imaginat-ion, have the commission over a barrel. It is far too late for any other company to be brought into organise the project if it is to be completed in time for the autumn 1999 deadline.

In September, Mrs Bottomley asked Dr Cunningham for his support for the draft budget plans. He refused to give an open-ended commitment.

Failed mortar attack raises IRA fears

David McKitterick
Ireland Correspondent

In an ominous sign of the IRA's violent intentions in the pre-Christmas period, the organisation has failed in an attempt to blow up a security force vehicle in north Belfast using a Semtex-filled mortar.

The abortive attack was seen as unmistakable confirmation that the terrorists plan to use

lethal means to try to change the Government's mind on the question of Sinn Féin's entry into multi-party talks.

This follows John Major's rejection, earlier this month, of the republican proposition that he should guarantee entry into negotiations if the IRA were to declare another cessation of violence. This deadlock, together with intelligence assessments that the IRA was preparing for

a new offensive, meant that Wednesday night's incident came as no surprise.

It began with a telephoned warning, which included a recognised IRA codeword, that a mortar had been left close to the back gate of Girdwood security base near the republican New Lodge area of north Belfast.

Security patrols were sent to investigate but, suspicious of a

possible trap, used another exit from the base. This precaution appears to have saved lives, since terrorists were waiting to fire a mortar at close range into a vehicle travelling from the back gate.

The device was concealed in an alley, inside one of the plastic "wheelie-bins" which are ubiquitous in Belfast. It contained almost a kilogram of Semtex. Such mortars are rel-

atively inaccurate, but at close range can have a devastating effect. After some time passed without security vehicles appearing, the terrorists abandoned the device.

Last week three similar bombs were found hidden behind a brickwork wall in the kitchen of a house in west Belfast, together with more than thirty cassette-type incendiary devices.

significant shorts

Sex attacker murders widow, 74

An elderly widow was knifed to death in a sex attack at her home.

Alice Rye, 74, was found by neighbours semi-naked, tied up and stabbed through the heart in a bedroom. The house was not ransacked.

Detectives believe the killer may have been a caller who was either invited or pushed his way into Mrs Rye's home in Spital, Wirral, Cheshire, after knocking at her door at tea-time on Tuesday. There was no forced entry.

Countdown to bill for £20bn

Industry may have to pay up to £20bn to reprogram computers with the new date at the turn of the millennium.

The "Millennium Compliance", or "Y2000", problem represented a challenge for small and large businesses alike, said a report by the Parliamentary Office of Science and Technology. A vast number of computers of all kinds, from desk-top PCs to the highest level mainframes, were likely to crash when their internal clocks reached the year 2000.

Most would recognise the date as 1900, with possibly catastrophic results. The report, written by civil servants for the benefit of MPs, said that responses of companies to the threat of the Y2000 problem are mixed, with some failing to recognise the need for action.

"As a rule of thumb, programming costs about £1 per line of code changed," it said. "For a typical large organisation or government department with hundreds of millions of lines of code, costs could be over £100m."

More prison officers sought

Prison officers' leaders have called an emergency meeting with the Prisons Board today to discuss an imbalance between numbers of jail staff and inmates.

Nearly 2,000 prison officers' jobs have been lost since 1993 and staff claim they do not have the numbers to cope with the record jail population. There are currently 58,516 inmates in Britain's jails, guarded by 23,000 officers, a ratio of 1:2.5. When prison staff levels last slipped to 23,000 in 1992, the jail population was only 42,300, a ratio of 1:1.8.

John Boddington, chairman of the Prison Officers' Association, said unpaid overtime might be banned if the talks did not produce promises of more resources. Ian Burrell

Camelot fights bookmakers' rival game

Camelot, the National Lottery operator, has asked the Crown Prosecution Service to investigate a bookmakers' plan to launch an alternative to the lotto.

Camelot says the game organised by the country's three biggest bookmakers, Ladbrokes, William Hill and Coral - is illegal and hopes to prevent the proposed launch next week.

The lottery, called "49s", will take place six times a week at the end of each day. It will be transmitted by satellite television to betting shops where a fifth machine similar to Camelot will issue numbers, enabling gamblers to bet on the likelihood of single or several numbers appearing from a total of 49. A £1 stake will win £5.50 for one right number, £49 for two, £511 for three, £6,561 for four and £100,000 for five.

Camelot said the game would have a detrimental effect on the amount of money going to good causes. The bookmakers said they had been advised that the game was legal. *Charlie Burt*

Long flight for sick Fiennes

Sir Ranulph Fiennes was being examined in hospital after abandoning his attempt to become the first man to walk solo across the Antarctic. The explorer was flown to Punta Arenas, on the southern tip of Chile, in a seven-hour emergency flight from the wilderness where he had developed an agonising kidney stone complaint.

Sold on the 'Arch's

An *Archers* add-on for the original 78 recording of the programme's (then) hopeful fans packed an auction room at Ph London. The success of the bidder's identity is secret.

At Christie's in London, a 400-year-old gold ring in a field in near Foulsham, Norfolk, fetched £20,700. Research has established that the original owner probably was a Thomas An of Foulsham (sic), may have lived in 1611, or his.

In a sale at Swindon, top tier of the Duke and Duchess of York's 198 wedding cake sold for £10,000. The 10-inch-square decorated tier featured entwined initials AS bought by John Bell, a magazine editor in Florida, for a competition. In June he paid £640 for a piece of the Prince and Princess of Wales's wedding cake.

THE INDEPENDENT ABROAD

Subscription Rates		Overseas Subscriptions	
United Kingdom	£35.00	Rest of World	£45.00
Europe	£40.00	USA, Canada, Mexico	£55.00
USA, Canada, Mexico	£55.00	Japan	£65.00
Japan	£65.00	Rest of World	£75.00
Rest of World	£75.00		

Quarantine laws in the dog house

Celebrity dog owners are delighted that the RSPCA is backing their hard-fought campaign for passports for pets. Their four-legged friends may soon be able to jet around the world without the threat of miserable months in quarantine



Collared: Miss Lucy (top left, far right), whose untimely end her owner blames on UK rules; David Hockney and his dog (right) and the Pattens with Whisky, who faces quarantine Photographs: Rex, Network

Clare Garner

Dog owners were elated yesterday as the RSPCA said it was in favour of abolishing the compulsory quarantine rules for cats and dogs coming into the UK from EU and other countries recognised by the World Health Organisation as rabies-free.

Celebrities who have campaigned passionately for the abolition of the 95-year-old British quarantine laws requiring domestic pets to spend six months in quarantine at a cost of up to £2,000 to their owners were delighted by the society's backing.

The charity's campaign for reform follows a survey which found that 86 per cent of the public would accept an alternative to quarantine if it could be properly implemented and proved to keep Britain rabies-free. The NOP survey, commissioned by the RSPCA, also found that 72 per cent of people said they would find a vaccination system an acceptable alternative to quarantine.

Peter Davies, the RSPCA's director general, said yesterday that a system of vaccination, blood testing and permanent identification for dogs and cats would provide Britain with "an equal, if not greater, protection from rabies as quarantine." He is

now urging the Government to commission a full-scale risk assessment of both quarantine and alternative systems and implement the "most humane and effective system" as quickly as possible.

The British Veterinary Association has not yet come out for change, but vets are known to be six to one in favour. In October a group of distinguished vets came out in favour of changing the laws. They included Lord Soulsby (the only vet in the House of Lords), Professor Richard Halliwell, and the writing vet Dr Bruce Fogle.

Jilly Cooper, a member of the pressure group Passports for Pets, said: "It's wonderful, wonderful. Passports for Pets have been beavering away lobbying and suddenly the mighty RSPCA have swung on our side. They are the ones that people listen to, so the fact that they have realised that it's cruel to keep animals in quarantine and it's a pointless exercise is fantastic."

Besides putting an end to the "awful sadness on both sides - for owners and animals", the abolition of the anti-rabies regulations would - on a personal level - herald a string of Continental canine adventures for Ms Cooper. Since the age of 14, she

has wanted to rescue a mistreated Spanish mongrel. "Every time I went I'd see some dog being beaten up in Spain... But then the prospect of taking it from one hell to put it in another hell - quarantine - was too much."

If the rules are changed, she will

be able holiday with Hero, a lurcher, and Bessie, a Labrador. "They can go to Paris on cheap-day returns," she said. "They can go and buy drink. I'd love to go to my brother's house in France and work out there for two or three months and take the dogs with me. It's stupid things like that."

It is a cause which has united a myriad of high-profile people from David Hockney and Elizabeth Hurley to Chris Patten, the Governor of Hong Kong who, unless the rules are changed, will have to be ported for six months from his Norfolk terriers, Whisky and Soda, when he returns

to Britain next summer.

Serena Linley, the proud owner of a bull terrier, recently signed up to Passport for Pets, joining other names such as Barbara Taylor Bradford, Elton John and Mark Birley. Passports for Pets, which was set up in 1994 by Lady Fretwell, wife of the former ambassador to Paris, now has 3,000 paid-up members.

Lord Rothermere, the Associated Newspapers press baron, is a member of Lady Fretwell's Committee of Honour.

His concern for the plight of dogs in quarantine is reflected in the *Daily Mail's* prominent coverage of the "barbarous", "antiquated" and "cruel" system. Many papers highlighted the story of how Air Chief Marshal Sir Michael Stear's retriever, Hunter, died in quarantine from the "effects of stress and environmental deprivation."

Sir Michael wrote an open letter to Mr Davies, director general of the RSPCA, saying: "Young Hunter died alone in his cell. He had served five months and four days of his six-month sentence; he was due to be set free on October 23, just a few days after his second birthday."

Frank Lowe, founder chairman of the advertising agency Lowe Howard

Spink, is a staunch supporter of Passports for Pets, providing his advertising expertise for free. Mr Lowe has had first-hand experience of the trouble the present laws can cause. After two years in the United States, he wanted to return to England. But he refused to "subject" his three Pekingese - Chelsea, Madison and Miss Lucy - to quarantine. So he moved to Switzerland, where the rules are more lax, and has lived there ever since.

Nevertheless, Miss Lucy came to a sorry end - an end Mr Lowe blames on Britain's quarantine rules.

"She had a heart problem and died because I couldn't take her to the vet in England," he explained.

"I flew the poor dog to Paris and flew the vet out there too but it was too late. If I'd flown her into England he would have been able to save her life."

The former film star Annie Aubrey shares Mr Lowe's feelings.

Her poodle, Suki, was quarantined last year when the actress returned home to Norfolk after nine years in Spain.

"If I'd known what it was going to be like, I'd never have returned from Spain until Suki's death," she said afterwards.

The high cost of keeping Britain rabies-free

Clare Garner

Only the UK and Ireland now insist upon six months quarantine.

Sweden and Norway, rabies-free for longer than the UK, successfully introduced a vaccine-based system in May 1994.

In New Zealand, a dog or cat coming from a rabies-free country is now restricted to the owner's home for 30 days.

Japan, also rabies-free, has no quarantine for animals from rabies-free countries and only 14 days' quarantine for animals from elsewhere provided they have a certificate of vaccination and a health certificate.

Last year 5,394 dogs and 4,126 cats were committed to quarantine. Although the animals affected by the law are not particularly numerous,

their owners are often high-profile and know how to run a campaign.

Since 1972, 2,500 out of 170,000 animals in quarantine have died, none from rabies.

This year, for the first time, one case of bat rabies was recorded in the UK.

The average cost of the required six-month quarantine is £1,500.

The RSPCA promotes anti-rabies vaccination for dogs and cats along with an identity chip to establish ownership and confirmation of inoculation.

Those who can afford to go to their vet and have it done for £25, otherwise the RSPCA will do it for £5. Campaign groups, among them Vets in Support of Change, insist advances in rabies vaccination and the

scope for implanting identification microchips in dogs means quarantine is no longer necessary for animals from rabies-free countries.

Some government ministers argue that it would be expensive to set up a simple system to check animals and their documents at a few selected points of entry.

The Swedes run such a system which admits 10,000 pets a year at a total cost to the owner of £400,000.

In the UK owners pay some £12m a year to have their animals quarantined. There has not been a single case of rabies in the UK, in or out of quarantine, for 26 years, except the bat.

The quarantine laws have resulted in widespread smuggling.

BBC closes Today poll as Labour memo surfaces

Charlie Bain

The BBC was forced to close the first round of polling for its annual Today Programme Personality of the Year award yesterday after discovering an "organised attempt" by staff at the Labour party to distort the voting in favour of the Labour leader, Tony Blair.

Staff in charge of producing the shortlist for the Radio 4 competition said they had received an anonymous memo which had been circulated to every member of staff in the Labour Party urging them to vote for Mr Blair.

The note was sent out by the Audience Participation Unit, a newly established department whose role is to encourage members to write to newspapers and attend political TV shows pushing the party line.

It told recipients they could fax nominations to the BBC, but advised them it would be "preferable" if they used a fax machine which did not identify the sender with the Labour Party.

Its purpose, it told recipients, was to "avoid a repeat of last year when John Major won" - in fact the Prime Minister came second - by getting supporters to nominate Tony Blair.

A statement issued by the BBC said last night: "We deeply deplore any attempt to interfere with what is intended to be a spontaneous opportunity for the programme's listeners to express their point of view."

"With great reluctance and sincere apologies to those listeners who may have left their voting until the last minute, we have concluded that the poll should be closed forthwith."



John Humphrys, one of the presenters of Radio 4's Today programme (left), and Tony Blair



In the event, Mr Blair failed to gain enough votes to make the shortlist of six nominations when the deadline was brought forward 24 hours, from midday today.

A senior Labour spokesman said last night that he didn't believe anything improper had taken place and said the memo was merely "reminding" staff that the poll was taking place. "A note was sent out to all members of Labour Party staff, who are undoubtedly Today listeners, urging them to participate in the Today Personality of the Year poll."

"It was sent out by a unit whose primary tasks are to remind party activists and members of polls which are taking place nationally or locally, and to encourage people to apply to

be in the audience of political programmes."

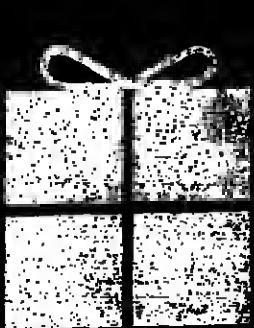
When asked about the attempt to distort the poll to Dublin last night, Mr Blair said: "I know absolutely nothing about it at all but I think that these things should be done in the proper way."

Conservative Party Chairman, Dr Brian Mawhinney, said: "The Labour Party has been caught red-handed trying to cheat. What has been uncovered by the BBC is a fundamentally dishonest and dishonest activity by the Labour Party."

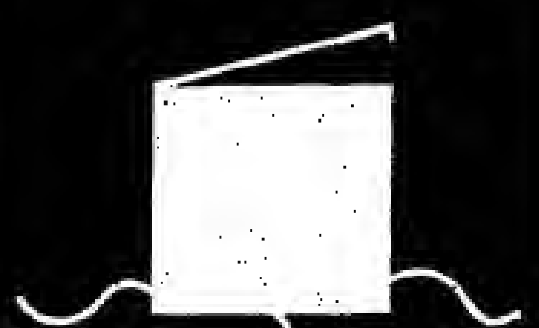
Yesterday's discovery is the second time the Today poll has been sabotaged this decade. In 1990, the year Baroness Thatcher and Michael Heseltine won the award, a prominent Hindu

politician was disqualified after a number of his British supporters tried to rig the voting. Lal Krishan Advani, leader of the Bharatiya Janata party, was removed from the shortlist after BBC employees noticed that a number of votes had been cast in the same hand writing.

It comes hot on the heels of a second attempt to rig this year's BBC Sports Personality of the Year. Earlier in the week, organisers had to disqualify footballer Justin Fashanu from the competition after being bombarded with e-mail votes for the player who was a 500-1 outsider. They had to purge the system of a second intrusion, when the message "Let's get Damon Hill disqualified" appeared with frightening regularity on the Internet soccer pages.



With Orange Talkshare, you can give as well as receive this Christmas. Orange have introduced special twinpacks which include two phones at a reduced price. You will share the same Talk Plan...



...There's only one connection and one monthly charge. If you want to know more about Orange Talkshare, visit your nearest stockist or call 0800 80 10 80.

Offer ends 31st January 1997.

Ca
Lloyds
custo
use TS
mach
Y

Schizophrenic knifeman wins right to take action against health authority and victim's widow joins in

Victim and attacker unite to sue for justice



Widow with a mission: Jayne Zito Photograph: Herbie Knott

Glenda Cooper

Victim and offender were united in common cause at the High Court yesterday trying to bring a health authority to account over how it treats care in the community.

Jayne Zito is dependent on Christopher Clunis, the killer of her husband, to get any compensation for the death of her husband Jonathan four years ago this Tuesday.

Clunis, who suffers from schizophrenia, yesterday won the first round of his high court battle to bring a damages action against a London health authority, claiming they failed to care for him in the community. His success paves the way for Mrs Zito to claim damages for assault against him as legally, she is unable to sue Camden and Islington Health Authority herself.

Clunis is seeking an indemnity from the health authority for any damages arising from his liability to her. "My family's frustration is that we can't take action against the health authority directly - so this is the only way to pursue the claim on behalf of Jon and myself," said Mrs Zito yesterday.

"Because [Clunis] has succeeded, our claim can go ahead. It's frustrating that a member of the public can't have the right to take direct action against a health authority, and that I have to be so closely linked with the offender."

In 1992, Clunis stabbed Jonathan Zito in the eye in Finsbury Park tube station in north London. A year later he was detained indefinitely at Rampton Hospital after pleading guilty to manslaughter due to diminished responsibility at the Old Bailey.

The crux of Clunis's claim is that, had he been given appropriate medical treat-

ment, he would not have killed Mr Zito and his condition would have improved in the point where he might be safely released into the community. As it was, the killing had caused his condition to worsen dramatically, and he claims that he was unlikely to recover, improve or ever be released.

Yesterday, Deputy Judge Richard Mawrey QC dismissed the health authority's summons for Mr Clunis's action to be struck out for showing no reasonable cause of action. The judge said he did not think it would offend the public conscience for Clunis to be awarded damages.



Victim: Jonathan Zito Photograph: Photonews

"Still less do I consider that it would offend the public conscience for Mr Clunis to recover from the authority - which, on the basis of his pleaded case left him at large as a dangerous psychopath - an indemnity against his unarguable liability to Mrs Zito. Indeed it might well offend the public conscience were he unable to do so."

The judge said that it was established law that a health authority was liable when a mental patient in its care harmed himself and asked if there should be a difference if harm to the patient came about through committing a crime.

"If the suicidal patient jumps off a high building, he commits no offence - but what if he tries to end his life by stealing a car and driving it into a wall, which is likely to involve several criminal offences?" he said. "If the authority is right, the former can recover damages, the latter not. I consider that this would offend common sense, logic and the public conscience."

He was also unable to see the logic of saying that medical authorities may owe a duty to treat and restrain the patient who was likely to harm himself but no duty where the patient was likely to harm others.

Clunis's solicitor, Martin Taube, said afterwards that the judgment was a "major step forward", and he added: "By this action the health authority will be held accountable to the community at large if they fail to look after the mentally ill following discharge from hospital."

The health authority said it would appeal, but the hearing is unlikely to take place for a year. "They must be made to pay for their negligence," said Mrs Zito. "It's about time they did. They have avoided responsibility and it's about time they paid for it."



Schizophrenic killer: Christopher Clunis Photograph: Photonews

Why 'EastEnders' is scarier than Tarantino

Marianne Macdonald
Media Correspondent

The television violence debate reignited yesterday with the revelation that children and teenagers are more disturbed by violence in soap operas such as *EastEnders* than in Hollywood action movies.

The difference was that violence in soaps occurred in a real-life setting, they told researchers for a Broadcasting Standards Council report into the attitudes of 10- to 16-year-olds, *Young People and the Media*.

"When Bruce Willis blows away a load of villains it's a laugh. You know it's not real. I think violence to *EastEnders* is more shocking because it's real life," one 16-year-old said.

The BSC researcher, Mark Ratcliff, agreed. "A film like *Pulp Fiction* is a laugh for the average 13-year-old. Violence in *EastEnders* can be scarier than a Quentin Tarantino film."

"We had some 12 to 13-year-old girls who saw a TV programme called *Backlog* in which a man was thrown off a block of flats. You saw blood oozing slowly from his body. But instead of being disturbed by the scene, some complained that the blood wasn't the right colour. Most 15-year-olds would laugh at you if you said *Pulp Fiction* was disturbing."

While the average American 10-year-old has seen 8,000 murders and 100,000 acts of violence

All right for the kids: *Pulp Fiction*-style violence is OK, but lay off *EastEnders* Nigelon television, 23 per cent of British 10- to 12-year-olds have seen *Pulp Fiction* and 25 per cent say they want to see it.

About 18 per cent of the same age group have also seen Tarantino's notoriously brutal *Reservoir Dogs* with another 25 per cent hoping to, a statistic which will add impetus to the

campaign by Virginia Bottomley, the Heritage Secretary, better to protect children against screen violence.

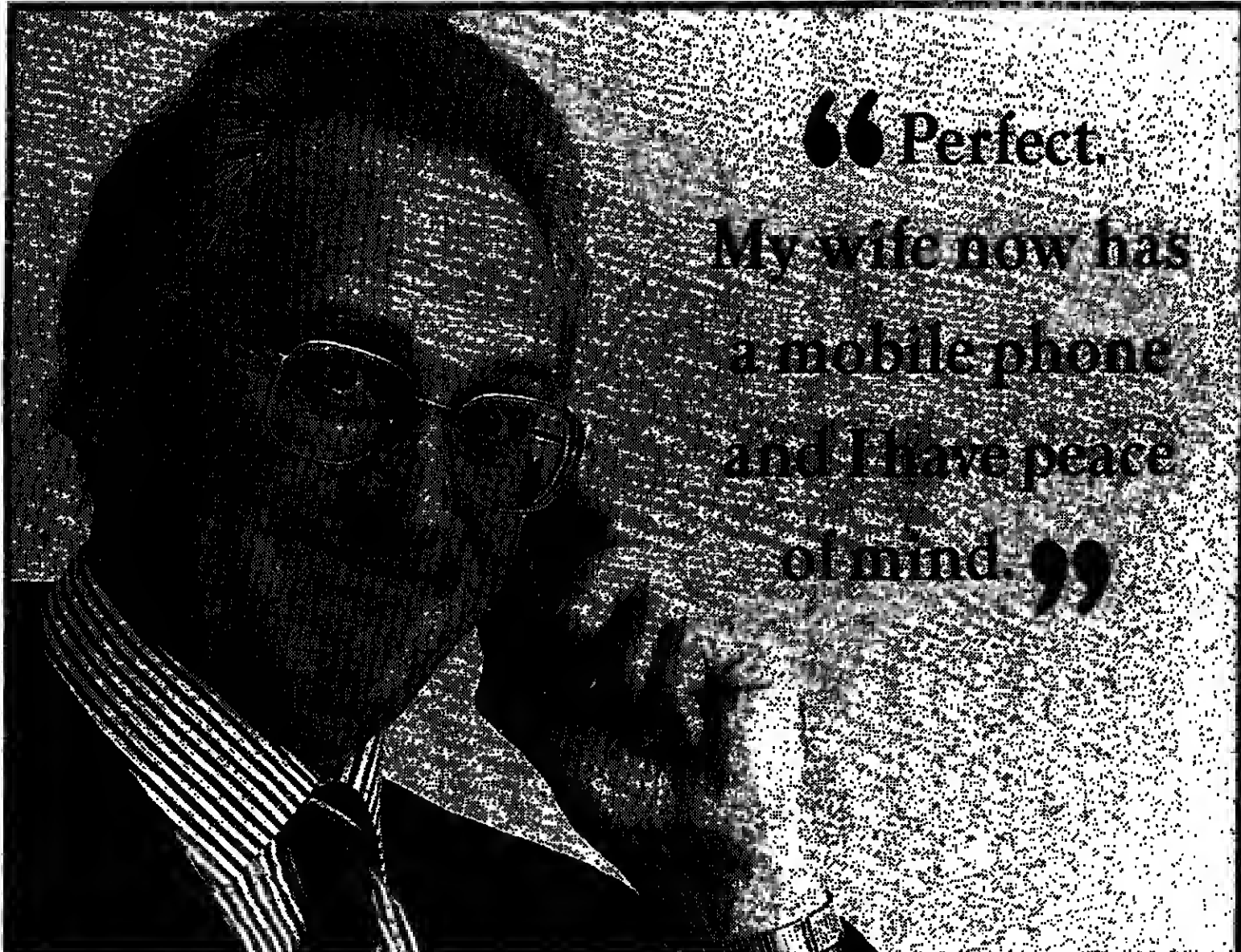
Yet despite the popularity of violent and horrifying films among the age group surveyed by the BSC, only a third said they were their favourite type of movie, and over half the sample selected comedies.

Six out of ten thought that screen violence encouraged street violence, and older children felt their young brothers and sisters should be protected from such material on television. A significant number said they had been influenced by television themselves.

Teenagers perceived today's society to be more violent because "you see it all the time on the TV or videos", the report warned. "The extraordinary incidents that have recently occurred - child murders, serial killers, paedophile cases - made teenagers feel these were now becoming the norm."

Yesterday, Leslie Hill, chairman of ITV, reinforced the point when he told a Heritage Select Committee inquiry into the BBC and the future of broadcasting that much of the blame should go to Hollywood.

"In recent times we have tightened up on what we show. I've seen some American films before they were edited and I was quite shocked by what I saw and what we had to take out," he told MPs.



AN ALL-IN-ONE MOBILE PHONE PACKAGE FOR £120.



At Peoples Phone we have just the thing for Christmas. Our 'Best Buy' Package is an all-in-one package, where you make a single, one-off payment and that's it for a whole year.

We even include a generous allowance of free calls every month and what's more, we can connect it on Christmas Eve. That way, it's ready to make a call as soon as it's unwrapped and you don't pay for a single day you don't need.

So, to make someone's Christmas Day, simply visit one of our 181 stores nationwide and speak to our specialist staff.

OVER 180 STORES NATIONWIDE
CALL 03-45-10-11-12
FOR YOUR NEAREST STORE, A FREE INFORMATION
PACK OR TO PLACE AN ORDER.

PEOPLES
PHONE

Can
Lloyds Bank
customers
use TSB cash
machines?

Yes.

That's use of an extra 1,890 cash machines free of charge. So now you are even closer to your money.



THE THOROUGHbred BANK.

Lloyds Bank Plc. PO Box 112, Cannon House, Cannon Wharf, Bristol BS99 7LA

The offer is subject to availability, status and a new standard airline contract of 12 months with 90 days' notice thereafter. Customers will need to provide a valid credit card or cheque guarantee card plus bank details and proof of address.

113/12

news

Motorists wince at victims' NHS bill

Patricia Wynn Davies
Legal Affairs Editor

Proposals to make negligent drivers pay for their victims' National Health Service treatment provoked a wave of protest yesterday from motorists' groups and insurers.

Despite an estimated saving of £1.2bn a year for the NHS which would flow from the scheme, there were warnings that it would result in soaring insurance costs, more hit-and-run incidents and hidden bureaucratic and legal costs.

The protests came after the Law Commission, the Government's law-reform body, suggested that the NHS should have the right to recoup the costs of treatment.

Stephen Dorell, the Secretary of State for Health, said that the idea, proposed by the commission in a consultation paper, would have to be carefully scrutinised before the Government could endorse it.

The 1988 Road Traffic Act already obliges insurers liable for road-accident injuries to pay the "reasonable" expenses of hospitals, subject to statutory capping, while private medical insurers are able to recoup treatment costs from defendants' insurers across the board. The commission said that there was a "strong case" for the NHS similarly to be able to claw back its costs. Professor Andrew Burrows, a commissioner, said: "We think it is particularly important to raise for public debate the question whether the NHS should be given a right to recoup, from those who negligently cause injury, the cost of free health care provided to victims."

Precedents for the state clawing back already exist, such as the right of the Department of Social Security to recoup welfare benefits.

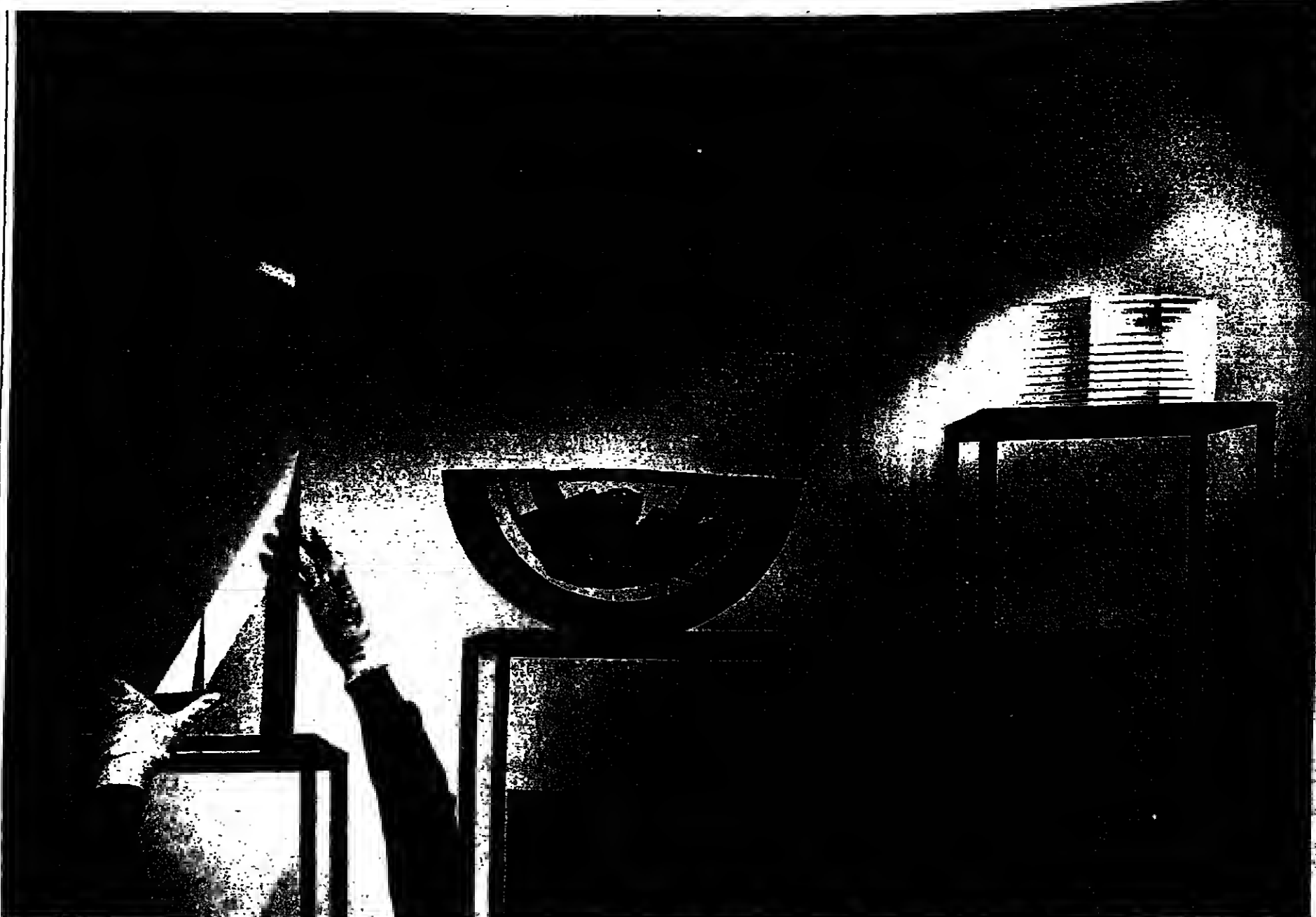
The cost of treating accident victims on the NHS is estimated at £1bn a year although only 12 per cent are successful in bringing negligence claims. The commission says that if a scheme were introduced, it should take the form of the NHS having a direct claim against a defendant after the victim has secured damages.

A spokeswoman for the National Association of Health Authorities the Trusts said the association was interested in the proposal but concerned at potentially massive bureaucratic costs. "On the surface, it looks very good, but we would have to look at the cost of recouping the money," she said.

She added: "It is a very important proposal because we do not want the NHS to be disadvantaged in the comparison with the private sector, which is already able to exercise this power."

But a spokeswoman for the Automobile Association said the plan would add to insurance costs for all motorists, both those who caused accidents through negligence and those who were safe drivers. She said: "There are a million uninsured drivers already and we believe this will simply push the figure higher."

Edmund King, head of campaigns at the Royal Automobile Club, said: "This will create a bureaucratic nightmare. The motorist already contributes heavily towards the National Health Service through the taxes levied on road users."



Glass art: Some of the works by Czech and Slovak sculptors on sale today at The Studio Glass Gallery in London. It is hoped they will raise £60,000 for a Sue Ryder home for the elderly in Prague. They are (from left), *Journey to Blue* by Jan Frydrych, *Cradle of Time* by Bohumil Elias and *Special Composition* by Václav Cigler. Photograph: David Rose

Man denies link in Leah ecstasy chain

The man accused of buying the ecstasy tablet that killed Leah Bevis yesterday denied any involvement in supplying drugs to her.

Steven Packman, 18, of Laindon, Essex, has been accused of buying the ecstasy that killed 18-year-old Leah in November last year. But he told Norwich Crown Court he was not involved.

The jury has been told that Mr Packman brought four ecstasy tablets in a nightclub called Ragnel's in Basildon, Essex. And that he then passed them on to his best friend, Stephen Smith, 19, of Basildon, Essex, who passed them to Leah via two other friends.

Mr Packman told the court yesterday that Smith was lying.

"I didn't offer to buy drugs for anyone else or for him. He [Smith] feels that he can get himself out of trouble by getting me involved... I was not involved in any of this."

Mr Packman said he had never taken drugs and never been involved in dealing drugs or handling drugs. He said he now felt "disgusted" with Smith

for alleging that he was involved in the drugs chain.

"Because we were such good friends, I suppose he thought I would take the blame with him," Mr Packman added.

The court has been told that Mr Packman approached the head doorman at Ragnel's - Patrick O'Mahoney - after hearing that he wanted to speak

to him. Mr Packman's conversation with Mr O'Mahoney was taped by the *News of the World* newspaper. On the tape, Mr Packman appears to admit buying the drugs from a dealer at the nightclub.

But Mr Packman told the court yesterday that he was "paranoid" during the conversation with Mr O'Mahoney.

He said he was saying what ever he thought the doorman wanted to hear because he was afraid for his safety.

Andrew Williams, for the prosecution, put it to Mr Packman that he had told "bare-faced lies" to the jury. Mr Packman said he had not.

The case was adjourned until today.

Give something that's bound to get a good reception.

Freestyle 80 Cordless Phone
Background noise reduction.
Up to 100 metres range, including an out-of-range warning.
£79.99

Freestyle 120 Cordless Phone
8 Channel auto selection which helps get the clearest reception. Backlit keypad. Intercom from base to handset.
£89.99

Freestyle 320 Cordless Phone
Add up to 3 extra handsets at £39.99 each. Hands-free dialling. Intercom from base to handset.
£99.99

Freestyle 1100 Cordless Phone
Combined with a digital answering machine. Voice prompts to aid set up. Remote access.
£129.99

From BT. Presents that say a thousand words.

ALLDERS, AROOS, BT SHOPS, COMET, CURRYS, DIXONS, HORNBY, JOHN LEWIS PARTNERSHIP, MILLER BROTHERS, NORWEB, OFFICE 1, REEBARD, TEMPO, THE LINK AND ALL GOOD INDEPENDENT RETAILERS.

Spice Girls
new lead

Steve Beggan

It would be difficult to find a band in the past few years that has been as successful as the Spice Girls.

As an infectious four-piece band, the Spice Girls have taken the music world by storm.

After their debut single, *Wannabe*, the band's second single, *2 Become 1*, has also been a success.

Their third single, *Mama*, is also a success, and the band's fourth single, *Me Against the Music*, is also a success.

The band's success has led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.

The band's success has also led to them being named the most successful new act of the year.



'We love Maggie!': The group have named the former prime minister 'first Spice Girl' Photomontage: Jonathan Arstee

Spice Girls vote Thatcher the new leader of their band

Steve Boggan

It would be difficult to imagine Baroness Thatcher in hot pants, a spandex vest and patent-leather thigh boots, but yesterday that is precisely what we were invited to do.

In an interview likely to cause panic in equal measure at Tory Central Office and Labour HQ, the Honourable Lady was named as the first Spice Girl by the band that is influencing an entire generation of first-time voters.

More importantly, and infinitely easier on the imagination, came the news that the Spice Girls are AGAINST monetary union, over-reliance on the Welfare State, John Major's looks and Tony Blair's taxation policies, and for a referendum on rejection of the original Maastricht Treaty, hereditary peers and Tony Blair's hairstyle.

The weighty revelations came during an interview in this week's *Spectator* magazine. The columnist Simon Sebag Montefiore, 31 and unmarried, was granted an hour with the five women – aged 18 to 24 – after the Smash Hits Awards Ceremony in London two weeks ago.

His problem – besides the distraction of the women "glistening with sweat... their

fit, bare bellies still quivering with sheer exhilaration" – was simple: How to extract the political views of five women who have rapidly become one of the biggest-selling bands in the world, whose records have sold upwards of five million copies in six months and whose latest single, *2 Become 1*, and album, *Spice*, are tipped for the Christmas number one double spot?

Huddled around the columnist in their "desolate" changing-room, the women, Geri, Victoria and Emma on the right of the political spectrum, and Mel B and Mel C left of centre, the task proved to be refreshingly easy.

On Lady Thatcher: "Thatcher had ideals all right," said Geri, to a chorus of approval and chants of "Wicked" and "We love Maggie!"

"Even if her policies were hard-hearted, socialism is bad – you work for your living and you deserve to keep what you've earned. Thatcher believed. But her legacy was a mixture: dealing with the unions good; destroying the GLC bad."

On John Major: "As for Major," said Victoria, "he's a boring pillock. But compared with the rest, he's far better. We'd never vote Labour. The good thing about Major is that because he hasn't got any person-

ality, he's not hiding behind some smooth facade. He can't rely on his looks, can he?"

On Tony Blair: "We met Tony Blair and he seemed nice enough," said Victoria. But that wasn't enough, declared Geri: "His hair's all right, but we don't agree with his tax policies. He's just not a pair of safe hands with the economy."

On Europe: "It's been a terrible trick on the British people," said Victoria. "The Euro-bureaucrats are destroying every bit of national identity and individuality. Let me give you an example – those new passports are revolting, an insult to our kingdom, our independence. We must keep our national individuality."

The idea for the interview was Mr Sebag Montefiore's. "It was light-hearted but there is a serious side," he said. "The Spice Girls are influencing a whole generation of youngsters and no one really knows how that generation thinks. These are no bimbos. I expected them to espouse typical left-wing pop-star politics, with a few pathetic ideas on the legalisation of heroin and some fuzzy thoughts on individuality and community policies, but I found them bright, articulate and with a full grasp of the great issues of the day."

Teachers rush for early retirement

Lucy Ward
Education Correspondent

One in six teachers over 50 is rushing to retire next Easter to beat a government clampdown on pensions, according to a union survey.

Figures released yesterday by the National Association of Schoolmasters' Union of Women Teachers suggest over 11,700 teachers want to take early retirement on 31 March nearly 3,000 more than usually opt to go early in a whole year.

Union general secretary Nigel de Gruchy warned of a "crisis of teacher supply" in the summer term of 1997 in the wake of predicted mass departures. He suggested that the Government's attempt to keep older, more experienced teachers from leaving by making early retirement harder had backfired.

The teaching world has been

thrown into turmoil over early retirements since the Government announced proposals last month to change the terms of the teachers' pension fund.

It wants to shift the burden of premature retirement costs from the fund to employers, mainly local education authorities and further education colleges.

The move is being billed as an attempt to hold on to experienced staff, but is also needed to stem a steadily increasing drain on the pension fund.

The proposals, now out to consultation, will come into force on 1 April if approved. Local education authorities say they will make early retirement for teachers prohibitively expensive, and warn that burnt-out staff will now be forced to stay on until they are 60.

The NASUWT figures are based on a survey of 50 LEAs, which revealed that 16 per cent

of teachers over 50 wanted to go. More are expected to follow as the implications of the changes become known to more staff, and there will be further departures through redundancy and sickness.

Teaching unions claim the deadline will cause particular problems because it falls in the middle of the academic year, leaving some classes with a change of teacher just before exams.

They also suggest the long-term effect of the changes will be a build-up of older, more costly staff in schools – draining budgets and ultimately blocking posts which could have gone to new teachers entering the profession.

The Department for Education and Employment yesterday warned that employers would have to "look very carefully at their staffing needs for next summer term" if they let many

teachers go early before Easter.

The unions have all pledged to lobby ministers over the pensions fund changes, but privately acknowledge they have little chance of securing a change of heart. They would also have difficulty winning public sympathy for teachers insisting on exercising their right to retire at 50.

Instead, they plan to focus their campaigns on winning more consultation time, with a later date for implementing the changes.

The NASUWT is calling for an overhaul of the way the teachers' pension scheme is run. It wants employers' and teachers' contributions to be invested rather than paid into the Treasury. The Association of Teachers and Lecturers yesterday warned its 15,000 members not to be panicked by the changes into setting up new personal pensions.

Freixenet



That little
black number
you get out for
any occasion.

Freixenet House, Wellington Business Park, Dukes Ride, Crowthorne, Berkshire RG45 6LS. Telephone: 01344 758 500 Fax: 01344 758 509
<http://www.freixenet.com>

Free memory. Don't forget to call.



also worth reminding you that Dell supplies excellent value portable and server products as well as desktops. So get in touch with the world's largest direct PC manufacturer today on 01344 724639 and take advantage of our free offer. But remember, time is running out.

You won't forget to call, will you? Until 14th December only, we're offering an extra 16Mb of SDRAM memory for free on the Dell Dimension™ XPS P133s, our value for money multimedia bundle.* It's



- DELL DIMENSION XPS P133s BONUS BUNDLE
- INTEL® 133MHZ PENTIUM® PROCESSOR
 - 16MB SDRAM + EXTRA 16MB SDRAM FREE
 - 512KB CACHE
 - 2GB EIDE HARD DRIVE
 - NEW 5TB POWERGRAPH 64 3D PCI GRAPHICS CARD WITH 2MB VIDEO MEMORY
 - 15" COLOUR SVGA MONITOR (13.75" VIEWABLE AREA)
 - EIGHT SPEED CD-ROM DRIVE
 - MID-SIZED TOWER CHASSIS
 - INTEGRATED 16-BIT SOUND AND ACS90 SPEAKERS
 - MICROSOFT® WINDOWS 95 & MS OFFICE PROFESSIONAL 95

£1,199 (£1,438.20 incl. delivery + VAT)

FREE
16MB SDRAM
WORTH £120
OFFER CLOSING SATURDAY
14TH DECEMBER. CALL NOW



DELL

TALK DIRECT TO THE NUMBER ONE.
01344 724639
Between 9am and 8pm weekdays, 10am to 4pm Sat

*Free offer available only on Dell Dimension XPS P133s bonus bundle as specified here until 14 12 96, inclusive. Source: IDC

الجمهورية

Top names line up in Chelsea for Scott's seat

FRAN ABRAMS
Political Correspondent

High-profile contenders were lining up last night for the seat of the deposed former minister Sir Nicholas Scott.

But as senior officials in his Kensington and Chelsea seat met to begin choosing a replacement, some whose names had been mentioned were ruling themselves out.

Among those who have confirmed that they are interested in replacing Sir Nicholas are the former defence minister Alan Clark and MP Terry Dicks.

Other MPs who are expected to take part in the contest for one of the Conservatives' safest seats are the Northern Ireland minister Sir John Wheeler and the Shoreham MP Michael Stepien, both of whose seats have been affected by boundary changes.

Two other names were being mentioned last night as possible contenders. They were Martin Howe, Euro-sceptic nephew of the former foreign secretary Sir Geoffrey, and Joan Hanham, leader of Kensington and Chelsea borough council.

Last week the association refused to endorse Sir Nicholas's continued candidacy after he was found face-down on a pavement after a drinks party at this year's Conservative

conference in Bournemouth. It is moving quickly to replace him, with a closing date for applications on 3 January.

More outlandish suggestions on the future of the seat include speculation that it was being "kept warm" by Sir Nicholas for Chris Patten, who will return from his post as governor of Hong Kong next year. An alternative version suggests that the party might support Joan Hanham on condition that she steps down after one term to make way for Michael Forsyth, Secretary of State for Scotland, who is expected to lose his seat at the general election.

Among those who were thought less likely to stand was Hartley Booth, MP, who succeeded Margaret Thatcher in Finchley and who lost his junior ministerial post after a liaison with a researcher.

One friend of Mr Booth said last night that although his seat had also been hit by boundary changes, he would be more likely to seek a new one outside London because the media in the capital would be more likely to keep raking up his past.

Andrew Dalton, chairman of the Kensington and Chelsea party, had also been mentioned as a strong contender for the post. Last night he said he had been pressed hard to stand by both officials and members of

the association, but had finally decided not to do so.

"I have come to the conclusion that flustering though that might be and much as I might want to do it, I think for the sake of the integrity of the process and myself this is not one to do," he said.

Mr Dalton said the party was willing to consider candidates who were not on Conservative Central Office's approved list of candidates. It would certainly be happy to meet local party members who were interested or possibly "people of achievement" from elsewhere. He suggested someone prominent in the world of business might be an appropriate candidate.



In the flesh: Agriculture minister Tony Baldry visiting Smithfield market in London yesterday as it emerged that an announcement was 'imminent' on a move by his boss Douglas Hogg, the Minister of Agriculture, to get the go-ahead at a meeting of European ministers on Monday for a selective cull of up to 100,000 cattle. It could lead to an early lifting of the export ban on beef for Northern Ireland. Photograph: Andrew Buurman

Who knows where Book Token might lead



Hot seat: Names in the frame for the Kensington constituency include (clockwise from top): Alan Clark, Terry Dicks and Sir John Wheeler; even Chris Patten (left) has been mentioned

Benefit audit fails because of fraud

Christian Wolmar
Westminster Correspondent

Widespread fraud together with wrongly calculated payments and overspending led Sir John Bourn, the comptroller and auditor general, to refuse to ratify the accounts of welfare payments for the eighth year running.

In a report issued by the National Audit Office (NAO), Sir John qualified his audit opinion on the Benefits Agency 1995/6 accounts because it had spent more than was approved by Parliament, there was "material error" in income support and family credit awards, and spending was "materially affected" by fraud.

Overspending in 1995/6 amounted to £184.7m, compared with £139.7m in 1994/5, the fourth successive overspend. While Sir John accepts that estimating the agency's overall spend, which amounted to £34.384m, is difficult, the repeated failure of the agency to estimate accurately its future expenditure shows that its forecasting techniques are flawed.

The NAO found errors led to income support overpayments of an estimated £485.4m and underpayments of £167.5m, a total of 3.8 per cent of the £17bn spent on the benefit.

This was considerably better than last year's performance, when 5.1 per cent of the total involved wrong calculations. It

also found that family credit payments, on which £1.7bn is spent, had a higher rate of inaccuracy. Research revealed that 10.6 per cent of family credit awards contained an error, which suggests that there are £29.8m of overpayments (1.7 per cent) and underpayments of £11.6m (0.7 per cent).

The NAO report acknowledges that efforts being made by the agency to tackle fraud have improved, and found that in 1995/6, the agency received a payback of more than £5 for every £1 invested in anti-fraud measures.

The national "Beat a Cheat" campaign - a hotline for members of the public to report benefit fraudsters - resulted in more than 50,000 calls in the first six weeks of its operation. Other measures being undertaken include an increase in home visits to claimants, and more cross-checking of information.

Sir John also says that the Benefits Agency needs to take action to ensure that losses are reported to Parliament promptly. At the end of March 1996, 290,000 potential overpayment cases were awaiting investigation to determine whether the amounts should be recovered or written off.

■ Appropriation Accounts 1995-6 - Class XII, Vote 1: Central government administered social security benefits and other payments, NAO.



Give a young person a Book Token and you're launching them on a journey of discovery that could take them literally anywhere.

Because what you're really giving them is one of the most exciting and important gifts they'll ever receive: the gift of reading.

And by giving them a Book Token you're giving them the fun and freedom to choose their own direction.

In fact, you're giving them a gift that's

just as entertaining as any computer game or video.

Because reading is the one gift that truly exercises their imagination.

And with over a million books currently in print and virtually every bookshop in the country selling and exchanging tokens (over 3000 at the last count!) that's not a bad choice.

So light the blue touchpaper - by giving a Book Token.

Book Tokens can be exchanged for any books, books on tape, or books on CD.

Book Tokens
THE GIFT OF READING

news

Where sheep may safely graze. (But at everyone else's cost)

Nicholas Schoon
Environment Correspondent

Conservationists have called on the Government to clamp down on the overgrazing by sheep which is damaging wildlife across swathes of Britain's uplands.

The heather, the most characteristic plant of our treeless high hills and mountains, the mountain hare, ground-nesting birds like the golden plover and the hen harrier are among those species suffering from high densities of sheep.

"They are literally nibbling away the wildlife value of the uplands and leaving farmers with a long-term problem," said biologist and environmentalist David Bellamy, president of the nation's network of wildlife trusts.

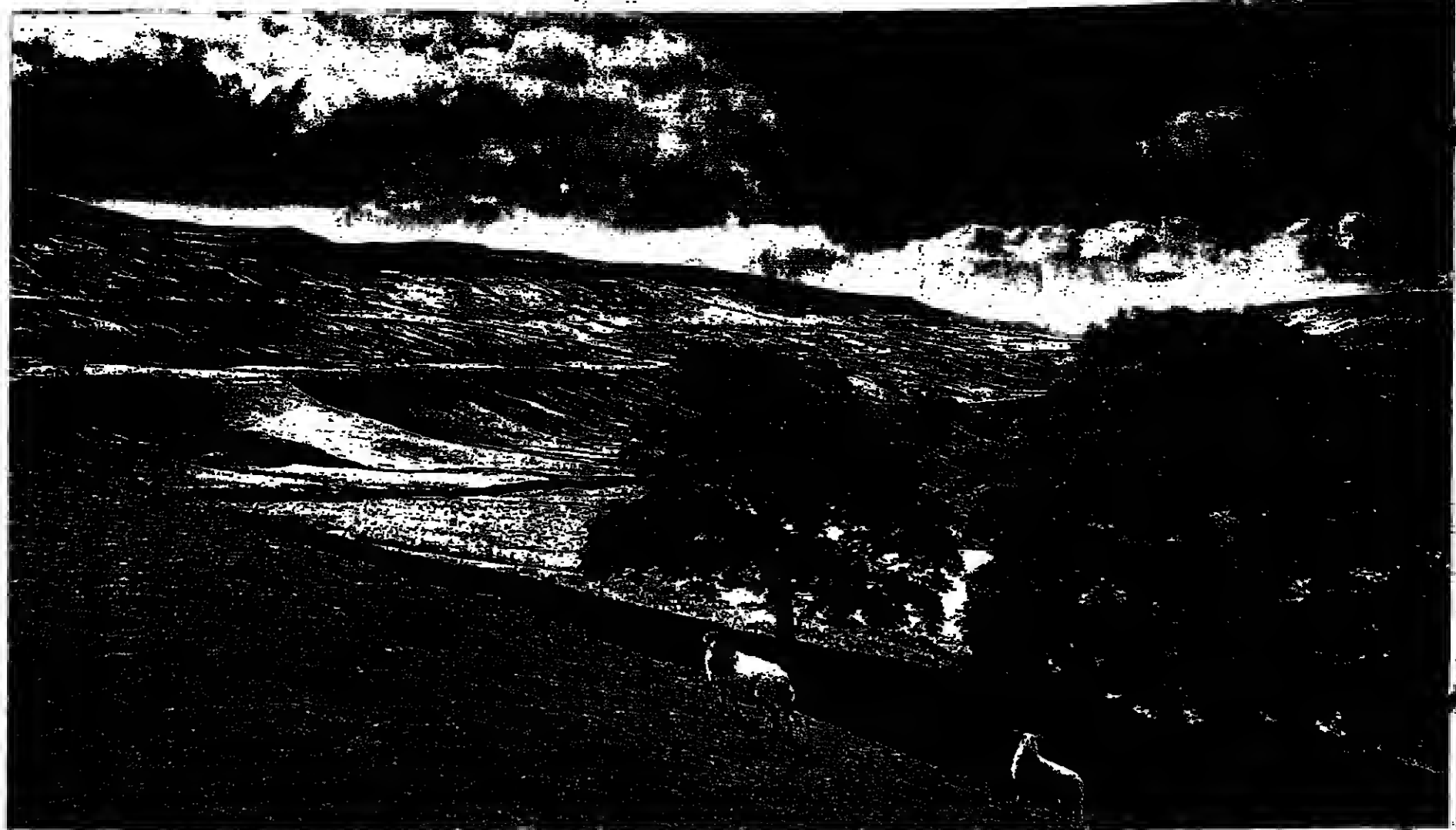
"Hills and moors that used to be a blaze of purple heather in

late August are now a uniform green colour - much like a suburban lawn. They are just a shadow of their former glory."

A report from the trusts, *Crisis in the Hills*, points out that the number of sheep in the UK has risen by more than a third in the last 20 years to 44 million - which means four sheep for every five human inhabitants. Wales, northern England and parts of Greece have the highest stocking densities for sheep in the European Union.

It cites government research which shows at least half of the country's moorland heather is in a poor or suppressed condition, liable to further reductions and damage by sheep grazing.

There are about 60,000 farmers working the uplands. They mostly earn far less than their lowland, crop-growing counterparts but they have the bulk of Britain's grazing animals.



Under threat: The number of sheep in Britain has risen sharply over the last 20 years and the increase in grazing is destroying wildlife habitats. Photograph: Howard Barker

Their land is designated by government as a "less favoured area" because of the harsh climate and poor soil, and this entitles them to subsidy for each sheep and head of cattle they

keep. This amounts to about £30 per annum for each breeding ewe; the subsidies totalled £655m last year.

This payment per head has encouraged the overstocking.

While the more fragile upland habitats can tolerate fewer than two ewes per hectare without deterioration, in some areas there are more than seven.

Over the years more and

more sheep have been spending the entire year on the hills, rather than only the summer, with farmers giving them supplementary feed through the long winters. This has sharply

exacerbated the grazing and erosion damage.

In 1994, the subsidies were reformed with incentives to encourage lower stocking densities, but the wildlife trusts - which have 260,000 supporters and 2,000 nature reserves between them - say the changes did not go nearly far enough.

The report calls for several further changes - the most fundamental of which is to scrap subsidies based on the number of animals and replace them with payments based only on the area of land a farmer manages.

A spokesman for the Ministry

of Agriculture said: "We are trying to strike a balance between environmental issues and maintaining viable farming, and this balance has shifted towards the environment."

Voluntary premium payments were available for farmers who reduced the density of sheep in sensitive areas. Furthermore, the Government had powers to withdraw subsidies when areas became severely overgrazed and it had occasionally threatened to use them. "But we prefer to work on a voluntary, goodwill basis when there is a problem," the spokesman added.

Dixons

FREE FULLY INSTALLED SATELLITE SYSTEM

WHEN YOU SPEND £299 OR MORE AT DIXONS
HURRY! OFFER ENDS SOON

**UP TO 18 MONTHS
INTEREST
FREE
OPTION***

ON TVs AND VIDEOS OVER £200

COLOUR TVs - FROM UNDER £130

<p>MATSUI 1401R 14" PORTABLE COLOUR TV • 34cm visible screen size • On-screen display • Infrared remote control In-store Price £139.99 SALE PRICE £129.99 (SAVE £10)</p> <p>MATSUI 21V1R 21" MEDIUM SCREEN TV WITH FASTTEXT • 51cm visible screen size • Fastest for easy access to all Teletext services • On-screen display • Complete with stand In-store Price £259.99 SALE PRICE £249.99 (SAVE £10)</p> <p>MATSUI 2200R 22" MEDIUM SCREEN COLOUR TV • 51cm visible screen size • On-screen display In-store Price £179.99 SALE PRICE £179.99 (SAVE £10)</p>	<p>JVC 14ET1 14" PORTABLE TV WITH FASTTEXT • 34cm visible screen size • On-screen display • Infrared sleep timer • 21 pin euro connector In-store Price £189.99 SALE PRICE £179.99 (SAVE £10)</p> <p>SANYO 1607 16" MEDIUM SCREEN TV WITH FASTTEXT • 41cm visible screen size • Fastest for easy access to all Teletext services • On-screen display • Sleep timer • VideoPlus with PDC for easy recording In-store Price £449.99 SALE PRICE £429.99 (SAVE £20)</p> <p>MATSUI 2201R 22" MEDIUM SCREEN TV WITH FASTTEXT • 51cm visible screen size • On-screen display • VideoPlus with PDC for easy recording In-store Price £359.99 SALE PRICE £359.99 (SAVE £40)</p>
--	--

PRICE CRASH!! ON VIDEOS

<p>MATSUI VXA100 LONG PLAY VIDEO • Long play/record facility • Auto set-up for easy installation • Auto head cleaner In-store Price £129.99 SALE PRICE £129.99 (SAVE £10)</p> <p>HITACHI VT545 4-HEAD MEDIUM SCREEN VIDEO • Long play/record facility • VideoPlus with PDC • Sensitive control function In-store Price £349.99 SALE PRICE £329.99 (SAVE £20)</p> <p>INGERSOLL V200 AUTO-TUNE VIDEO • Auto set-up • Long play/record facility • Auto head cleaner In-store Price £129.99 SALE PRICE £129.99 (SAVE £10)</p>	<p>MATSUI VPA402 LONG PLAY VIDEO WITH VIDEOPLUS • Long play/record facility • VideoPlus with PDC • Video search system • VideoPlus with PDC for easy programming In-store Price £149.99 SALE PRICE £149.99 (SAVE £15)</p> <p>TOSHIBA V625 4-HEAD MEDIUM SCREEN VIDEO • Long play/record facility • VideoPlus with PDC • Sensitive control function In-store Price £379.99 SALE PRICE £349.99 (SAVE £30)</p> <p>MATSUI VPP601 4-HEAD MEDIUM SCREEN VIDEO • Long play/record facility • Auto set-up facility • Super Hi-Fi digital stereo sound In-store Price £249.99 SALE PRICE £249.99 (SAVE £20)</p>
---	--

PHILIPS

21166B
21" FASTTEXT TV WITH REMOTE CONTROL

- 51cm visible screen size
- Black line FST tube
- Sharpness control

PLUS

VR165 LONG PLAY VIDEO WITH VIDEOPLUS

- VideoPlus and PDC for easy, accurate recording
- Auto set-up for easy installation

Total Separate Selling Price £529.98

£469

PHILIPS

1402
14" PORTABLE TV WITH FASTTEXT

- 34cm visible screen size
- Smart connector for games consoles and computers

£199.99

PHILIPS

1402
14" COMBID TV AND VIDEO

- 34cm visible screen size
- VideoPlus for easy programming
- Separate installation with no connecting wires

£379.99

Dixons

FREEPHONE 0500 50 40 30

THERE'S A GREAT DEAL GOING ON THIS CHRISTMAS

*Interest free option available on purchases over £200. Interest free for up to 18 months. Subject to credit check. Offer ends 31st December 1996. See in-store for details.

Legal threat in college pay protest

Lucy Ward
Education Correspondent

Students on teacher-training courses could be able to sue their universities if a planned boycott of inspections by lecturing unions means departments lose accreditation.

The Association of University Teachers (AUT), whose members voted for the action in October, also acknowledged the boycott could ultimately leave the door open for trainee teachers to take legal action against their departments.

Ofsted, the schools watchdog which also inspects university education departments and teacher-training colleges on behalf of the Teacher Training Agency, would be unable to report back on its findings to the agency.

The TTA might then decide to hold back funding from these departments and, possibly, also to withdraw accreditation. Students who applied to an institution, only to find its accreditation withdrawn during their course, might have grounds to sue.

The decision to continue blocking inspections puts the education departments in direct confrontation with Ofsted, which yesterday reinforced its bullish line on the stand-off.

A spokesman said: "We have a duty to inspect teacher-training colleges wherever we can. We cannot guarantee to reschedule inspections and thus we might not be able to give the reports to the Teacher Training Agency that it needs for its work."

The TTA passed responsibility back to Ofsted, saying the agency had a legal responsibility to go into departments and secure information. However, it

stressed that withdrawal of accreditation happened only as a last resort at the end of a long process.

Tom Wilson, AUT assistant general secretary, said it was "most unlikely that any meaningful form of inspection would now take place".

The possibility of legal action by students might come "some way down the line", he said, though any attempt by the TTA to withdraw accreditation would be strongly resisted by the union. Students on this year's courses would not be affected.

The AUT is due to meet with employers today together with the conciliation service Acas in an attempt to resolve the dispute.

However, it is already prepar-

The union is already preparing to ballot members on taking further action

ing to ballot members on taking further action in the pay campaign, including disrupting university admissions and examinations next year.

An admissions boycott would affect around 250,000 school-leavers hoping to enter higher education next autumn.

The university pay dispute involves a cross-section of staff from porters to professors. White-collar staff, including academics, administrators and technicians, have been offered a 1.5 per cent pay rise, while manual workers have been offered 2.5 per cent.

The dispute prompted a 24-hour strike last month by around 100,000 employees last month, bringing British universities almost to a standstill.

IT'S A CRACKER

A Corby Trousers Press is an inspired Christmas gift. It makes both giver and receiver look good.

Choose from a range of models and finishes starting from around £76.

CORBY TROUSERS PRESS

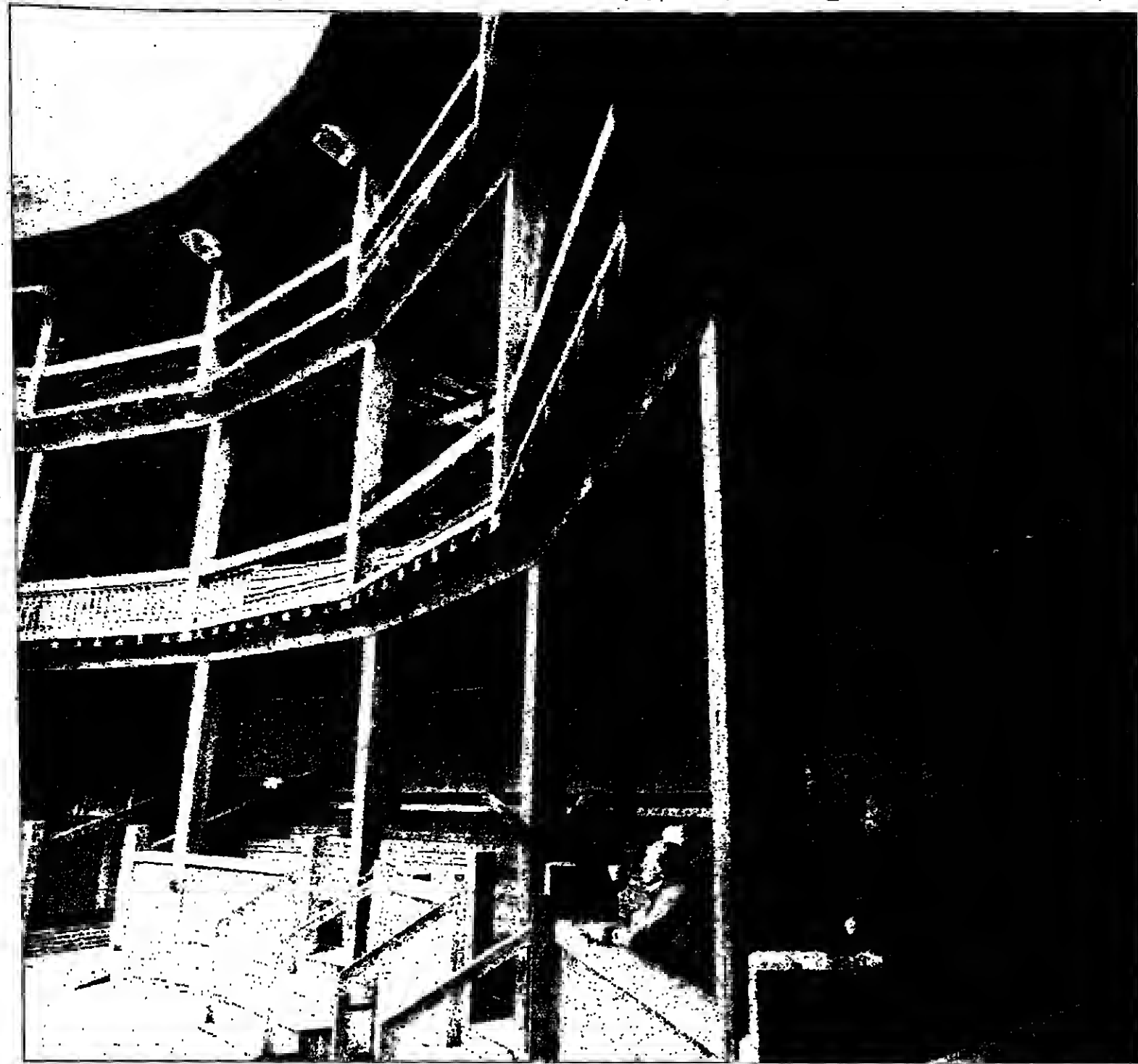
AUSTIN REID • BENTALLS • SELECTED BOUTIQUE MENSWEAR • HARMONDS • HOUSE OF FRANKS • JOHN LEWIS PARTNERSHIP • SELWICKS • OR FOR OTHER STOCKISTS CALL FREE 0800 220 221

Shakespeare becomes for all t

How you can victims of c

THE INDEPENDENT
Victims of Abuse Ap

Theatre voted top attraction for tourists, vindicating one man's dream



Global vision: Already, more than 300,000 tourists have visited the South Bank venue

Photograph: Edward Sykes

Shakespeare's Globe becomes a stage for all the world

David Lister
Arts News Editor

The Globe Theatre in London, which will have its first full season next year, has been voted the top tourist attraction in Europe more than 40 years after the idea was first mooted to re-create an Elizabethan theatre near the site of Shakespeare's original Globe.

It will also be seen as a tribute to the persistence of the late Sam Wanamaker, the American actor who fought for years to build the theatre. Wanamaker arrived in London in the Fifties and was appalled to discover there was no fitting memorial to Shakespeare's theatre.

He fought against indifference and at times hostility to rebuild the venue near its original site, and launched several fundraising campaigns. Although he died in 1993, he saw work start on the building.

The accolade comes from the European Federation of Asso-

ciations of Tourism Journalists, an umbrella organisation representing travel writers in eight countries.

Yesterday the actor Julian Glover, a member of the Globe's artistic directorate, accepted the Golden Star Award at a ceremony at the theatre.

The judging panel picked the Globe because it was an attraction in itself, a place of entertainment and a catalyst in contributing to the regeneration of the Bankside area of London.

Mark Rylance, the artistic director of the Globe, said: "This citation is a huge tribute to the international success of Shakespeare's Globe. More than 300,000 visitors have come to sold-out performances during our 1996 prologue season, to the exhibitions, and as students of all ages to attend workshops at our education centre."

Projects voted on for these international tourism awards have to have a strong international presence and be a major tourist

attraction. The Globe scores highly in both areas. It has different European nations represented in its cast and its work force.

The number of visitors coming to the Globe, even when it is not open for a performance, now stands at 500 a day.

Sandra Moretto, tourism manager at the Globe, said: "We still have to raise £6.5m from private funding to complete exhibition and education facilities and an international award like this gives the Globe extra lustre."

The prologue season used a temporary stage. A permanent one is currently being erected.

The first full season begins next May, when Richard Olivier, son of the late Lord Olivier, will direct Mark Rylance in *Henry V*. In the meantime, visitors can see master craftsmen, thatchers and plasterers at work, using the building techniques and materials of 400 years ago.

Minimum wage will aid well-off – not the poor

Diane Coyle
Economics Editor

The introduction of a minimum wage would do more to help the better off than it would to benefit the very poor, according to new research.

So many of the poorest people are without work that a minimum wage – one of the Labour Party's concrete policy commitments – would do very little to relieve poverty.

What's more, even if it were set at a level which did not destroy jobs initially, uprating the minimum wage in line with the typical level of earnings could raise unemployment in future.

Increasing inequality has boosted support for the introduction of a legal floor for wages, but a paper published today by the Institute for Fiscal Studies, a respected independent think-tank, suggests that it is not a useful weapon for tackling unfairness in incomes.

Amanda Gosling, author of the paper, concludes: "Because most of the poor are not in work, a minimum wage is not a good way to redistribute income from the rich to the poor."

"Most of those who gain will be couples where both partners work and young single people living with their parents. These people are richer than the unemployed or many pensioners."

However, a minimum wage would benefit twice as many women as men, as low pay is a predominantly female phenomenon.

Incentive seen in cutting benefit

Children from poor backgrounds could be encouraged to stay on at school if they were paid an allowance from the age of 16, the Institute's report also suggested.

Abolishing child benefit for 16- to 18-year-olds and paying them the £10.80 a week allowance instead would be a relatively cheap initiative, it said. Such a move – based on a scheme introduced in Australia a decade ago – would not make poorer families worse off because their income support would be increased, it was argued. The scheme – costing £170m and affecting a million 16-18-year-olds – "should be given serious consideration if school participation is to be increased among children from poor backgrounds".

The incomes of the lowest paid in the economy have fallen further and further behind during the past two decades. The number of families on incomes below 60 per cent of the average doubled between 1977 and 1991.

Supporters of the minimum wage have argued that it would help to reduce income inequality, although debate about whether or not it would cost jobs

has been fierce. Ms Gosling says there is evidence that a legal minimum would cut unemployment within a certain range of wages.

She calculates the effect on income of various levels of minimum wage, assuming it does not raise joblessness. Significant numbers of people on low pay would see their incomes rise. A minimum wage of £3 would boost pay for 7 per cent of the workforce, while a £4.50 minimum would help about 30 per cent – 1.8 million people and 7.8 million people respectively.

A higher proportion of the poorest families where someone has a job would gain than of the better-off families.

A £3.50 minimum would help two-fifths of the bottom 10 per cent of the earnings distribution compared to one-fifth of those in the middle. Yet nearly a tenth of the richest 10 per cent of families would also benefit.

Looking at total household income, which includes those with no work, there would be no redistribution.

Even a £3 minimum wage benefits those at the top of the income distribution far more than those at the bottom.

Ms Gosling also warns that if the minimum wage is tied by some formula to average earnings, then a decline in the productivity of the low-paid relative to the average would be likely to cause unemployment.

What the policy would do, by replacing in-work benefits such as family credit, is stop subsidising exploitative employers.

How you can help the victims of child abuse

Glenda Cooper

As abuse scandals continue to be exposed in children's homes around the country, we would like you to support our Victims of Abuse appeal to help children who have been made to suffer in this way.

Earlier this year, the terrible toll of years of abuse for more

than 100 children in Chwyd was highlighted in this newspaper, and was the launch-pad for a campaign which eventually won government action to tighten standards in children's homes.

This week we revealed that police are seeking 3,000 children who may have been part of another scandal in the North-west.

Our Christmas appeal is in support of projects run by the National Society for the Prevention of Cruelty to Children including its helpline, direct support to help children who have been abused, and to help prevent future abuse.

Countless children's stories in the community or residential care have never been heard. The NSPCC, Britain's leading charity specialising in child protection and prevention of cruelty runs over 120 projects throughout England and Wales and Northern Ireland offering counselling and therapy to abused children as well as carrying out its own investigations into allegations of child abuse.

The charity relies on public donations for 85 per cent of its income.

We would like you to contribute between now and Christmas. Your money will go to help projects such as the NSPCC's freephone helpline which takes on average 1,200 a week, the London Investigation Team which works with police and social services to investigate paedophiles and the Kaleidoscope project in Newcastle which treats children who have abused other children.

THE INDEPENDENT/NSPCC Victims of Abuse Appeal

Name: _____

Address: _____

Postcode: _____

Phone No: _____

Amount of donation: _____

Please make out your cheque/postal order to: The Independent/NSPCC Victims of Abuse Appeal, and send to: The Independent, PO Box 4011, One Canada Square, Canary Wharf, London E14 5BB

The NSPCC is a registered charity No. 216401

AN EXCLUSIVE MOBILE PHONE OFFER FROM VIRGIN RADIO & ORANGE



SO MORE IT IS MONEY CHRISTMAS

When an extra special present to yourself is waiting this Christmas.



- A one-off payment of only £199 gives you:
- connection to Orange, 12 months free line rental
- 15 minutes free talk time each month
- 12 months free insurance with 24 hour replacement
- 3 year warranty, 14 day money back guarantee
- Motorola mr20 Orange phone for life

Virgin Radio is making this unbeatable offer even better by giving away a fabulous holiday for two to any destination in the world. To enter the £10 prize draw, switch to Virgin Radio now and complete the coupon below.

EXCLUSIVE ORANGE OFFER CALL: 0500 80 10 10

Join the movement, switch to Virgin Radio now! To listen to the "World's Best Rock Station" (New York Radio Awards) tune in to Virgin Radio on the following frequencies: Nationwide on 1215 and 1197-1260am/mw; stereo on Sky and cable, London and the South East on 105.8fm stereo.

Conditions of exclusive Virgin Radio Orange phone offer: Virgin Radio competition rules & prize conditions.

WIN A HOLIDAY ANYWHERE IN THE WORLD

Complete the entry form for your chance to win a holiday anywhere in the world with Virgin Radio & Orange. Simply tune to Virgin Radio on your local frequency and name three artists that you hear, fill in the details below and send in to win.

Artist 1: _____

Artist 2: _____

Artist 3: _____

Name: _____

Address: _____

Postcode: _____

Phone: _____

Send this form to: Virgin Radio Orange, c/o The Independent, PO Box 4011, One Canada Square, Canary Wharf, London E14 5BB

international

significant shorts

SA truth commission pardons four

South Africa's post-apartheid "truth commission" pardoned four anti-apartheid white bombers and three anti-apartheid black vigilantes for human rights crimes in the final days of white rule.

Ruling on 16 applications, the Truth and Reconciliation Commission (TRC) headed by Archbishop Desmond Tutu granted and refused applications by self-confessed perpetrators of human rights crimes on both sides of the struggle over apartheid. The whites given amnesty were four right-wingers responsible for bombings shortly after the ANC began democracy talks with then president FW de Klerk's white-led National Party.

The three blacks pardoned were members of an ANC-aligned self-defence unit that killed three black gangsters terrorising their township near Koonstad. *Reuter - Cape Town*

Romanian role for Hungarians

Romania's new President, Emil Constantinescu, yesterday swore in a new government which for the first time in the country's history contains representatives of the ethnic Hungarian minority.

The new coalition government, headed by Victor Ciorbea, 42, promised extensive economic reforms and a campaign against crime and corruption. *Adrian Bridge*

Burma student clamp down

The Burmese military warned it would not tolerate civil disturbances in the capital, Rangoon, after thousands of students, mainly from two universities in the city, last week launched anti-government street protests. More than 800 protestors were briefly detained and then freed. *Reuter - Rangoon*

French stands out against US in UN election

The UN Security Council resumed the search for a new UN Secretary-General with no sign France is softening opposition to the presumed US favourite, apparently to pay back Washington for blocking a second term for Boutros Boutros-Ghali.

France has consistently voted against the UN Under Secretary Kofi Annan, from Ghana, the strongest candidate to emerge in two days of unofficial balloting in the 15-member council. Mr Annan is the only one of four candidates to surpass the nine council votes required for election. Diplomatic sources said Mr Annan won 12 votes in the first two rounds on Wednesday and 11 in the third. *AP - New York*

Accord for Guatemala

Guatemalan rebels and government leaders signed an accord aimed at ending 36 years of civil war. The agreement, signed at the Spanish Foreign Ministry, is aimed at reinserting the rebels into society. The final peace treaty, negotiated over seven years, will be signed in Guatemala, officially ending Central America's last and longest civil war. *AP - Madrid*

A week in a life as a monk

Prince Norodom Ranariddh, the co-Premier of Cambodia, had his head and eyebrows shaved in a ceremony at the royal palace yesterday, marking his formal entry into the monkhood for one week.

Ranariddh, who is following a long royal family tradition by briefly serving as a monk, said he hoped that entering the monkhood would also "calm his politics", an apparent reference to recent tensions with his coalition partner, co-Premier Hun Sen. *Reuter - Phnom Penh*

Speaking to the nation: Reforms of today are building blocks for the France of tomorrow

Chirac fights to stem the rising tide of gloom

Mary Dejevsky Paris

President Jacques Chirac bowed to pressure from senior Gaullist politicians and addressed the French nation last night in his first television broadcast since Bastille Day on 14 July. With the popularity of the government still declining and a succession of policy U-turns prompting questions about France's governability, the consensus in France was that it was high time for the President to pronounce.

Mr Chirac, who is known to be deliberately sparing with presidential broadcasts so as not to debate the genre, was believed to have planned an address several weeks ago. But the crisis in Zaire, the lorry drivers' protest, a spate of corruption cases affecting

Gaullist politicians, the terrorist bomb attack in Paris, and the fiasco of the aborted Thomson privatisation apparently convinced him to wait for a quieter moment.

Once the address had been announced at the beginning of the week, Mr Chirac was bombarded with advice from all political quarters about what he should say. The Elysée itself briefed the elite of the French political media and produced "informed sources" to give a foretaste of the content.

Advance information suggested that Mr Chirac would spend his 90 minutes trying to do exactly what his most authoritative critics had recommended: to combat the public mood of discontent by explaining an overall political scheme and trying to convince people that the government was on course.

An unnamed Gaullist minister was quoted as saying that Mr Chirac would present France as "living through a time of great change that was very difficult and demanded great effort from everyone". Mr Chirac, he said, would say that "the reforms of today" were preparing "the France of tomorrow", just as the reforms of General de Gaulle in 1958 had paved the way for the prosperity of the Sixties and Seventies.

Mr Chirac was also expected to define France's "social state" and his commitment to it, and to restate his confidence in Alain Juppé as Prime Minister. A possible cabinet reshuffle in the coming weeks would not be ruled out, though Mr Juppé would remain in charge.

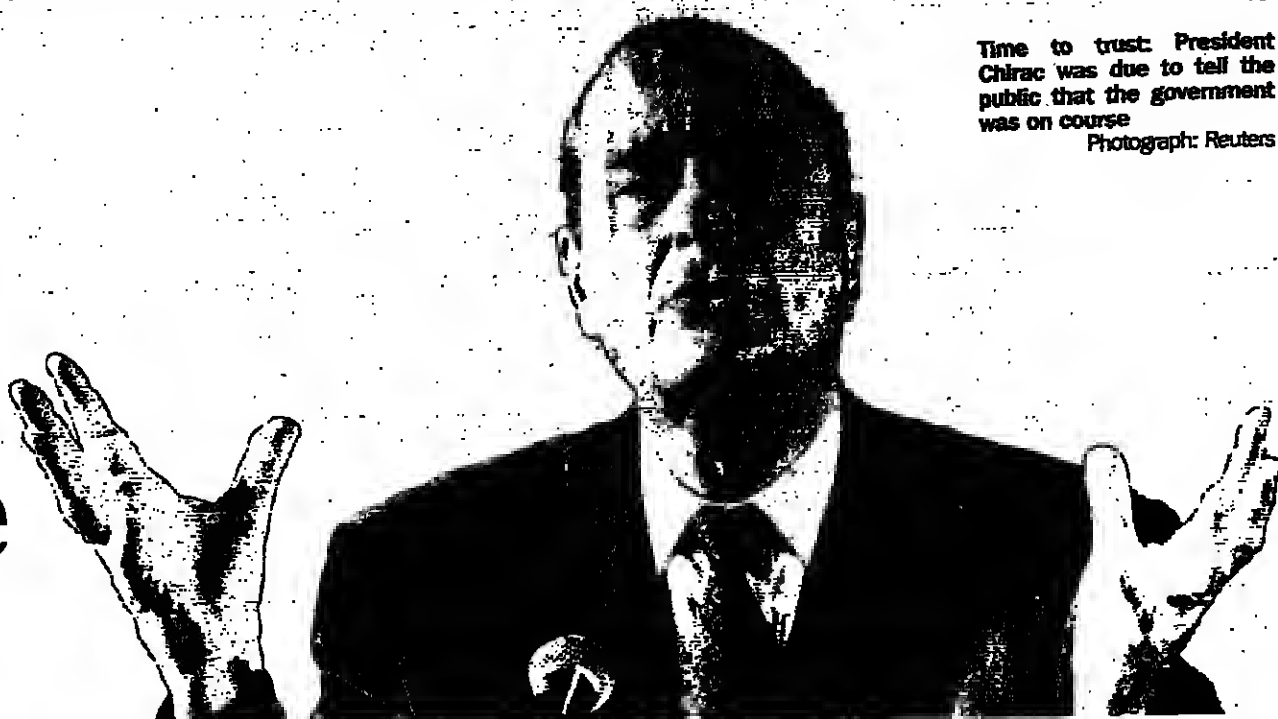
Behind the scenes, the biggest controversy was less about what Mr Chirac would say than how and to whom he would say it. To the irritation of broadcasters at the state television channels, this address was assigned to the commercial - and more down-market - channel, TF1. A new format was also devised, reportedly by Mr Chirac's counsellor, Jacques Filhan, and his daughter Claude, who is his adviser on public relations.

As President, Mr Chirac has eschewed the formal style of television address from his Elysée office in the manner of Charles de Gaulle, Georges Pompidou or François Mitterrand. He has never indulged either in the fireside chat, favoured by Valéry Giscard d'Estaing.

Early in his presidency, he chose the televised press conference as his vehicle for communicating, but soon abandoned it in favour of a semi-formal interview with one or two hand-picked political journalists. Each time, however, there was criticism that the interviewers were too kind or too competitive between themselves.

Last night, Mr Chirac faced questions from a panel of five journalists, only one, Guillaume Durand - who chaired the televised Maastricht debate in 1992 - an established star of French political television.

The idea of bringing in journalists who are not primarily political interviewers was apparently intended to make the audience feel that it was "their" questions and concerns that were being addressed, rather than those of the distant political caste.



Time to trust: President Chirac was due to tell the public that the government was on course
Photograph: Reuters

Rwandan refugees flee from repatriation

David Orr Nairobi

Tens of thousands of Rwandan refugees have abandoned their camps in Tanzania, dashing hopes of an orderly return home of the country's refugee population by the end of the year. By yesterday evening more than 35,000 refugees had fled into the interior in order to avoid being sent back to Rwanda.

Having fled their camps in north-western Tanzania, hordes of Rwandan Hutus are now heading south, perhaps in an effort to gain entry into Zambia or Malawi. Earlier this month,

Tanzania informed the Rwandan refugees they must return home by the end of December. "They do not want to return to Rwanda at all," admitted a representative of the United Nations High Commissioner of Refugees (UNHCR). "We have offered them assistance to return to their camps but they have rejected this."

Heavily armed Tanzanian troops moved into the area around the camps yesterday but it was unclear whether they would try to prevent the remaining refugees from escaping into the Tanzanian interior. More than half a million Rwandans, members of their country's Hutu majority, have been living in Tanzania since 1994. They fled their country as Tutsi rebels advanced to halt the genocide in which 800,000 Tutsis and moderate Hutus perished.

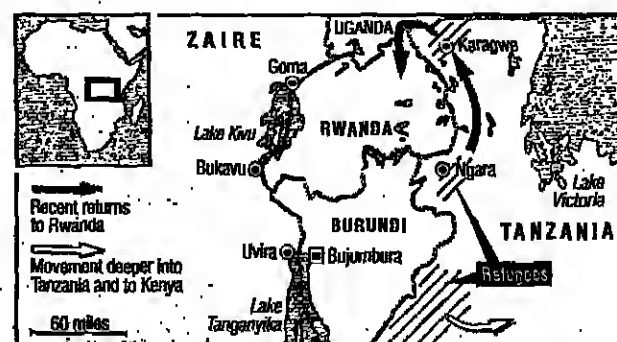
Officials are blaming the exodus on intimidation by the Hutu extremists known as the Interahamwe. These extremists fear reprisals or prosecution for their role in the 1994 genocide if they return home under the current Tutsi-led regime.

The flight of refugees marks a severe setback for the UNHCR, which has been predicting the return home of all Tanzanians' Rwandan exiles by the end of this month. Despite protests from human rights organisations such as Amnesty International, the UNHCR decided to comply fully with the Tanzanian government's repatriation programme.

"We are not forcing anyone out," Musa Ahirga of the refugee commission to Ngara said, "but we want to facilitate those who want to return."

A UNHCR official told *The Independent* earlier this week there were signs most refugees in Tanzania wanted to go home. The voluntary return of more than 4,000 Rwandans this month led the agency to believe that all the refugees would leave of their own will. A further 10,000 indicated they would be going back to Rwanda this weekend, once the distribution of food in the camps around Ngara had been completed.

It now appears the UN agency badly misread the signals. It was presumed that after the return home of more than half a million Rwandans from eastern Zaire last month, their counterparts in the Tanzanian camps would follow.



But the refugees in Zaire were forced out by Rwandan-backed rebels who broke the power of the Interahamwe in the camps. No such neutralisation of Hutu extremist power has taken place in Tanzania. The first indications that the repatriation programme might not run as planned came earlier this week when 15,000 Rwandans left their camps in north-western Tanzania after a propaganda campaign by Hutu hardliners.

There is little doubt that the scare tactics of the Interahamwe have succeeded, though it is difficult to gauge how much coercion the refugees are being subjected to. Rwandans interviewed by *The Independent* at Lunast camp near Ngara insisted they would stay in Tanzania. "We're not going back," said Jean Twagayezu. "I heard that all the refugees in the Zairian camps were killed when they got back to Rwanda."

When told that most of those from the Zairian camps had safely returned to their homeland, Mr Twagayezu replied that he had no need of such information. Rwanda's government wanted to kill all Hutus, he said. If the camps were shut down, he and his family would spend Christmas hiding in the forest.

CRACKING SURPRISES AT CRACKING PRICES

It's not just Christmas spirits that you can raise on a day trip to France with Hoverspeed.

The duty and tax free bonus you expect on wine, beer, spirits and cigarettes extends to all kinds of Christmas presents.

Watches, perfumes, sweets and toys - Hoverspeed duty and tax free shops stock them all.

Throw in our bargain fares from £12 for a car and 2 passengers, add a day out in the charming towns of Boulogne or Calais, and you've cracked your Christmas shopping in one pleasurable trip!



BELL'S 8 YEAR OLD WHISKY (100cl) PLUS 200 BENSON AND HEDGES

£18.50 when purchased in one transaction
Save over £26*
*HSP: £45.39



WHYTE & MACKAY SPECIAL RESERVE (100cl) PLUS 200 SILK CUT

£17 when purchased in one transaction
Save over £27*
*HSP: £44.60

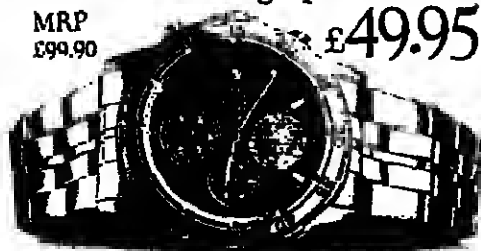
EXTRA 25% OFF WINES

When you purchase your full allowance of 2 litres.



HALF PRICE ACCURIST WATCHES

Men's Chronograph Watch
MRP £99.90



Marine Retailer of the Year 1995



DUTY FREE CONFECTIONERY

BUY 2 GET 3RD FREE*
*Third item must be of equal or lesser value than either item purchased

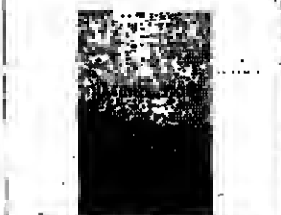
Hoverspeed: Dover to Calais, fly across in 35 minutes.
Seacat: Dover to Boulogne, speed with style in 50 minutes.
SEACAT FROM £12 - CAR +2 (£10 extra for Saturday travel)
RESERVATIONS 01304 240 241
OR CONTACT YOUR TRAVEL AGENT

All products subject to availability. Offers not valid on board the craft prices apply to Dover, Calais and Boulogne land based shops only. All prices correct at time of going to press. High Street prices shown are national UK High Street prices for a comparable quality selling the average prices established in a survey of UK High Street outlets. Full survey details are available on request. Duty and tax free offers valid for travel to and from the EU. Hoverspeed reserve the right to substitute offers or gifts advertised, with offers or gifts of equal value, or the offer that is most beneficial to the customer. Tobacco/Liquor offers available to smokers over 18 years of age. Alcohol should be consumed to moderation.

HOVER SPEED
FAST FERRIES



Ancient Egypt - The Giza Necropolis
RRP £20.00
BOOKS etc.
Price £14.99



Stephen Fry - Making History
RRP £15.99
BOOKS etc.
Price £11.99

Range Quality Value
BOOKS etc.

Books etc.
Quality Value
BOOKS etc.
Quality Value
BOOKS etc.

cheaper car insurance and a money back claims guarantee.

0800 11 22 33

help

SWIFTCALL

listen

Using Swiftcall you can call USA for only 10p a minute.

anytime

For details of incredible savings to hundreds of other international destinations and to open an account, call and quote this REF: WJ2

0800 769 0800

outside UK +44 171 488 2001

Freephone access available to Swiftcall customers on:

FLAT RATES
ALL PRICES ARE IN PENCE PER MINUTE

Germany	16p	Swiftcall rates apply 24hrs a day 7 days a week.
Ireland	16p	
France	16p	
Australia	20p	
Japan	30p	
Taiwan	40p	
Hong Kong	40p	
South Korea	50p	
India	60p	
Nigeria	70p	
Pakistan	80p	



LOW COST INTERNATIONAL CALLS

هاتنا من الاصل

3
1
—

11/10/1941

THE UNITED FRIENDS' MARKETING GROUP IS REGULATED BY THE PERSONAL INVESTMENT & UNITED FRIENDS' UNIT TRUST MANAGERS IS ALSO REGULATED BY THE
 ONLY FOR LIFE AND CANCELLATION AND NOT FOR BUSINESS
 & THE EXERCISE OF INVESTMENT BUSINESS

international

Riot police end march on Milosevic's home

Tony Barber
Europe Editor

Serbia's neo-Communist authorities deployed riot police in Belgrade yesterday to prevent thousands of student demonstrators from marching towards the home of President Slobodan Milosevic. In a tense confrontation, riot police blocked a busy street near the US embassy and forced the students to abandon their hope of massing outside Mr Milosevic's home in Dedinje.

The students' march coincided with a trip to Belgrade by Italy's Foreign Minister, Lamberto Dini. He was the most senior Western politician to visit Serbia since huge anti-government demonstrations broke out almost four weeks ago in protest at alleged election-rigging by the Socialist authorities.

Mr Dini held separate meetings with Mr Milosevic and opposition leaders, and said afterwards that both sides had "left a margin for discussion".

The immediate cause of the trouble is the Socialists' refusal

to recognise local election victories for the opposition in Belgrade and other large cities last month. The opposition Zajedno (Together) coalition movement would also like to see Mr Milosevic removed from power, but has sworn to stick to peaceful methods in pursuit of this goal.

Mr Dini said the opposition was being unrealistic in continuing to demand official recognition of the 17 November polls which would have deprived the Socialists of power in Belgrade for the first time since 1945. "Reinstatement of the results seems to me to be something that is not on the cards as the basis for dialogue between the parties. They must find a formula around the impasse," he said.

His remarks drew an instant rebuff from one of Zajedno's three main leaders, Vuk Draskovic, who said recognition of the opposition's election victories was a precondition of dialogue with Mr Milosevic. Other opposition leaders hinted at a deal involving fresh polls staged under international supervision.

The state media also would be required to abandon their strong pro-government bias.

Such conditions may not appeal to Mr Milosevic, who tightly controls the media. As an example of the kind of propaganda being fed to the Serbian public, a new tabloid weekly called *Flash* carried a banner headline in its first edition saying: "The CIA is carrying out its plan: the Albanian mafia is funding the demonstrations."

Mr Milosevic has given no signal that he is willing to hold new local elections or make substantial concessions to the opposition. He has said nothing in public that would suggest he even thinks he has a problem. Pristina (AP) - The party representing ethnic Albanians in Serbia's Kosovo province said one of its activists died after being tortured by Serbian police. Feriz Blakori, 34, died two days ago at a hospital. The Democratic League of Kosovo said his body bore signs of torture and he was the 14th Albanian victim of Serb repression this year.



Thumbnail picture: Eleutherodactylus, a newly classified species of frog, just 10mm long, on a Cuban coin the size of a £1 piece. The frog was first found on Monte Iberia, eastern Cuba, in 1993. Photograph: M. Lammerink/AP

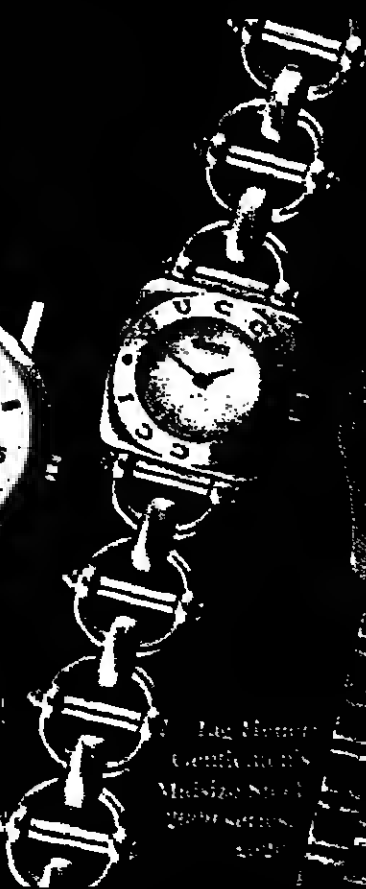
"Christmas time at Ernest Jones"

This year, we suggest that you make at least one Christmas dream come true with one of these magnificent watches. Our helpful and expert staff will help you to make the perfect selection from our extensive range.

Omega
Gentlemen's
Bi-colour
De Ville,
1625



Omega
Ladies'
Stirrup
Buckle
Watch,
1125



Omega
Ladies'
Gentle as a
Maiden
Watch,
1125



Raymond
Weik Ladies'
Classic
Buckle
Watch,
1175



Langham
Radio controlled
Mega Solar
Chrono,
1195

Ernest Jones

The Diamond and Watch specialist.

100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200

Interest free credit is available on purchases of £100 or over, subject to status and payment of a deposit. Ask for a credit application form. For more information on your nearest store, please call 0114 214 1111.

Second patient turns to Dr Death

But Australia's MPs seek to cancel law allowing euthanasia

Robert Mills
Sydney

Janet Mills, a 52-year-old with terminal cancer, announced yesterday that she would be the second person to turn to Dr Death under the Northern Territory's voluntary euthanasia law. But a political storm is threatening to stifle the controversial law after the Australian parliament voted to overturn it this week.

Mrs Mills, from South Australia, held a press conference in Darwin yesterday attended by Philip Nitschke, the man known as "Doctor Death" after inventing a computerised machine that allows a terminally ill person to choose their moment of death by pressing a button that induces a lethal injection.

The first person to use the "death machine" successfully last September under the Northern Territory's law, the world's first allowing voluntary euthanasia for terminally ill people, was Robert Dent, a father with inoperable cancer. Speaking at the Dent family home in Darwin yesterday, with her husband at her side, Mrs Mills announced that she wanted to be the second. She is suffering from a form of cancer similar to that which killed Paul Eddington, the actor.

Mrs Mills has been supported by a doctor and a psychiatrist outside the Northern Territory, who have confirmed that her disease has no cure and that she was not suffering from clinical depression when she asked for her life to be terminated. But she lacks a third crucial requirement under the law, the signature of a territory specialist doctor on her written request to die.

"I appeal to a territory doctor to meet me and simply agree with my specialist oncologist in South Australia that I am dying," she said. "I now have a few weeks left to live. I am asking and begging for this." But her request may not be heeded. The Northern Territory's Rights of the Terminally Ill Act has caused a nationwide furore since it came into force in July. The territory's own doctors, conservative at the best of times, have steered clear of it, isolating Dr Nitschke from their ranks. A chorus of disapproval has reverberated across Australia, from the Australian Medical Association, church leaders and the mainstream press who have branded the law as morally capricious and the Northern Territory as immature for bringing it into existence.

And now, the biggest threat to the law's future has come from Canberra, where MPs in the House of Representatives, the lower house in the federal parliament, voted by 88 votes to 35 in the early hours of Tuesday to overturn it, after a long and emotional debate. They did so by passing, on a conscience vote, the Euthanasia Laws Bill,

introduced by a backbench MP from the ruling Liberal Party, which nullifies the territory law. The federal bill will now go to the Senate, the upper house, for approval. Dr Nitschke and his supporters have vowed to wage a campaign to defeat the bill before the Senate vote, expected early next year.

The Northern Territory's law allowing assisted suicide has now moved out of the realms of medicine and ethics and into the murky world of politics, specifically that perennial battleground under Australia's federal system, states' rights. Australia's six state governments have supported the Northern Territory government in condemning Canberra's intervention, branding it a dangerous usurpation of the regional governments' powers to pass their own laws. But

the territory, a place the size of Europe and with less than 1 per cent of Australia's population, does not have the same constitutional status as the states. Although it has self-government, the territory's purse-strings, and therefore almost everything else, are controlled ultimately by Canberra. The territory does not have the right, as the states do, to appeal to the High Court against Canberra's intervention on constitutional grounds.

With the euthanasia law apparently in its dying throes, Dr Nitschke warned yesterday that he had patients queuing up to use it in the months before the Senate vote. He also received a backlash over his decision to donate his inaugural "death machine", used to help Robert Dent die, for display at a Sydney museum. Bob Collins, a Senate member from the Northern Territory, said: "Philip Nitschke has gone one step too far. This is ghastly. I call on him to desist."

WATERPROOF
WINDPROOF
BREATHABLE

SYMPATex

ALL-WEATHER
WINDPROOF
CLOTHING BY

FRANK EDEN
LADIESWEAR

Monster
Florence's
for retri:



Direct Line Instant Access

5.75%
Small space.
Big savings rate.

Direct Line Instant Access

Netanyahu pledges to build in revenge

Patrick Cockburn
Beit El

In the cemetery of the settlement of Beit El a small red mechanical grab was digging graves for Eeta Tzur and her 12-year-old son Ephraim, shot in their car by Palestinians on a by-pass two miles away.

Thousands of Israeli settlers from across the West Bank who yesterday poured into Beit El, a sprawling red-roofed settlement outside the autonomous Palestinian town of Ramallah, were told by Benjamin Netanyahu, the Prime Minister, that they were "pioneers" and "heroes" of our time. He promised Beit El would never be uprooted.

Yoel Tzur, whose wife was killed and was himself wounded along with four of his other children in the attack, denounced the Oslo accords to mourners, describing Yasser

'Houses by the thousand' vow after murders on the West Bank

Arafat, the PLO leader, as "a corrupt villain". Pointing to terraced hills which form an amphitheatre around the Beit El cemetery, he said that for every such attack "a thousand new houses should be built on them".

A sign of the heightened tension between Israelis and Palestinians came yesterday when an Israeli shot and killed a Palestinian worker he suspected was trying to break into his house. Police said Samir Abu Shafqa, 40, from Gaza, who worked in the village of Kochav Michael, was killed and four other Palestinians wounded.

The killing of Eeta and Ephraim Tzur by the Popular Front for the Liberation of Palestine (PFLP) was carried out on the 28th anniversary of

the founding of the organisation, whose leadership is based in Damascus. The once-powerful radical organisation is split into factions, but Israel says the PFLP carried out similar drive-by shootings six months ago.

The gunmen fled into Ramallah, where their burned-out car was found on a rubbish dump. Israeli officers, including Uzi Dayan, the commander of Israeli forces in the West Bank, were escorted by Palestinian Authority police into Ramallah, to look at the wreck.

Israeli troops had completely sealed off Ramallah yesterday and were turning back all cars. Mr Netanyahu said the killings and the flight of the PFLP gunmen into Ramallah was a "test-case" for Mr Arafat.

He added: "We expect that they will extradite them and first of all help us to arrest these murderers of children." The attack on the Tzur family is also a test for Mr Netanyahu since it is the first such killing since he became Prime Minister six months ago.

The Palestinian Authority said the shooting hurt Palestinian interests because "an attack of this kind will give the Israeli government a pretext to delay the implementation of the peace process".

The extent of the opposition to the Oslo accords within Mr Netanyahu's government was made clear at the grave-side. Ariel Sharon, the Infrastructure Minister, said: "The murderers continue to go about their business. The Oslo accords, that put the question of protection of Israeli citizens in the hands of a war criminal by any law, continue to cause bloodshed."



Taking the blame: Masked members of the PFLP, the organisation thought responsible for the murders, prepare for a demonstration at Bethlehem university to mark the group's 29th anniversary. Photograph: AP

'Monster of Florence' set for retrial



Murder suspect Pacciani (right) and his lawyer, Rosario Bovacqua at the appeal hearing in the spring

Andrew Gumbel
Rome

Pietro Pacciani, the Tuscan peasant who was convicted two years ago of being the serial killer the "Monster of Florence" but then acquitted on appeal, was ordered to stand trial all over again last night as the Italian high court ruled that the decision to release him had been ill-considered and illogical.

One of Italy's most notorious postwar murder cases was there-by brought back to square one, to the acute embarrassment of the judicial authorities in Florence which has spent the past 28 years trying unsuccessfully to crack it.

Pacciani, a notorious Peeping Tom once jailed for sexually abusing his own daughters, is only the latest in a long line of suspects believed down the years to have been responsible for murdering amorous couples camping out in the countryside around the Tuscan capital.

At the time of his original trial, in 1994, much of the evidence which was presented against him was considered by legal experts to be circumstantial, and the conviction was much criticised both in Italy and abroad.

By the time the appeal hearing rolled around in March this year, even the prosecution was pushing for his release after admitting their case against him didn't hold water. But then, in an extraordinary courtroom scene on the morning that the

appeals verdict was due, dramatic new evidence came to light pinning Pacciani four-square to the most recent of the murders.

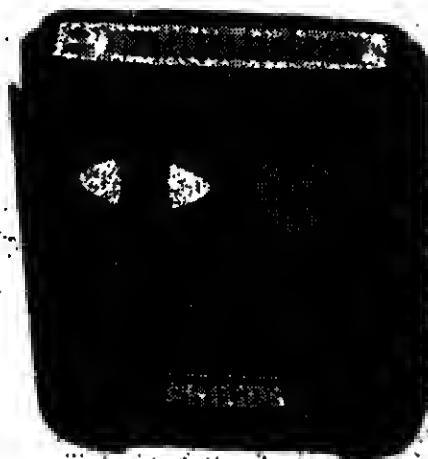
Prosecutors begged for more time, saying they had eyewitness testimony linking Pacciani and an accomplice to the murder of two French tourists outside the hamlet of San Casciano in 1985. However, the judge turned down the request and set the sexagenarian peasant free.

Last night's decision to put Pacciani back on trial was greeted with delight by the Florence prosecutor's office.

"It seemed unreasonable to me that all the new material collected should fail to be examined by a court," said the city's chief prosecutor, Pier Luigi Vigna, who has been personally involved with the case since the first of the eight double murders in 1968.

Pacciani, who at his original trial compared himself to Christ suffering on the cross, was said by his defence lawyers to have barricaded himself in his house last night and was refusing to answer the telephone. "They're persecuting me all over again," he was quoted as saying. A date for the new trial has yet to be set. ■ Rome (AP) — A key witness in the state's case against Giulio Andreotti told a hushed courtroom that the Mafia's "boss of bosses" Baldassare Di Maggio, once bestowed a kiss of respect on the former Italian premier. Mr Andreotti has been on trial, accused of aiding the Mafia, since September 1995.

Make sure someone gets the message this Christmas.



Number Connect

- Message Type: Numeric messaging service
- Available in black and green
- Callers hear your personalised greeting
- Messages of up to 20 digits
- Bleep or vibrating alert

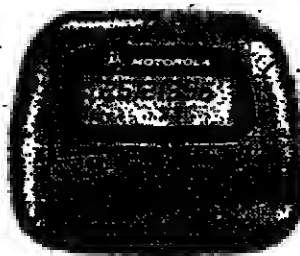
£49.99



Swatch the Beep

- Message Type: Wrist watch and numeric messaging service
- Available in black, brown and blue
- Messages of up to 20 digits
- Bleep or silent alert

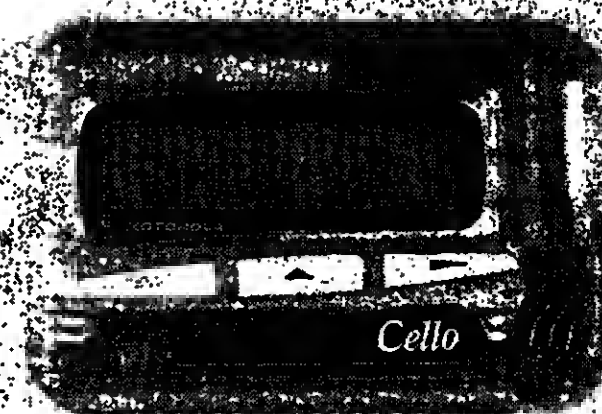
£69.99



BT Echo

- Message Type: Numeric messaging service
- Available in blue and grey
- Messages of up to 20 digits
- Bleep or vibrating alert
- Clock and alarm function

£59.99



Cello

- Message Type: Text messaging service
- Available in black, blue and brown
- Callers hear your personalised greeting
- Messages of up to 90 characters
- Bleep or vibrating alert
- Clock and alarm function

£89.99



Benetton

- Message Type: Numeric messaging service
- Available in blue and orange
- Messages of up to 20 digits
- Bleep or vibrating alert

£69.99



Lyric

- Message Type: Text messaging service
- Available in black
- Messages of up to 90 characters
- Silent, bleep or vibrating alert
- Built-in clock

£79.99



Philips EasyReach

- Message Type: Text messaging service
- Available in black
- Callers hear your personalised greeting
- Information service option
- Messages of up to 90 characters
- Bleep or vibrating alert

£84.99

Available from the following retail outlets:

BT Communication Centres, BT Shops, The Carphone Warehouse, Currys Superstores, Phones 4U, Staples, The Link, and selected branches of Dixons, Comet and Post Office Counters. Subject to availability.

Or order direct on **Freefone 0800 800 010**

BT *EasyReach*
Messaging Service

YOU'LL GET THE MESSAGE ... YOU'LL GET THE MESSAGE ... YOU'LL GET THE MESSAGE ...

Calls to a text messenger are charged to the caller at 55p per call at peak times (Mon-Fri 0800-1800) and 35p per call at off-peak times. Calls to a numeric messenger are charged at 25p, regardless of the time of day. Calls from BT public payphones, mobile phones, non BT networks and those using BT Chargecards are charged at different rates. All prices include VAT.

Direct Line Instant Access Account

UP TO **5.75%** GROSS.
**Small space.
Big savings rate.**

Balance	Annual Gross Rate
£500-£4,999	4.50%
£5,000-£9,999	4.75%
£10,000-£24,999	5.50%
£25,000-£49,999	5.65%
£50,000+	5.75%

All rates are correct at 30th December 1996.

Call one of the numbers below for high interest with instant access.
0181 667 1121 0161 833 1121 0141 221 1121

LONDON MANCHESTER GLASGOW

CALL ANYTIME 8am to 8pm Monday to Friday and 9am to 5pm Saturday. Please quote ref. IND24

Calls are recorded for your added security. Direct Line and the red telephone are trademarks of Direct Line Insurance plc, used with its permission. Rates subject to variation.

هكذا من الأصل

international

Hong Kong handover: Direction of new administration is uncertain, but Reuters news agency is moving out of colony

Tung happy to toe Peking line

Stephen Vines
Hong Kong

One day after being chosen as the head of Hong Kong's first post-colonial government, Tung Chee-hwa, the 59-year-old shipping magnate, has sent mixed signals about the type of administration he intends to run.

On the one hand he clearly indicated that he fully supported China's hardline policies, which include the scrapping of all elected tiers of government. On the other, he said that he looked forward to meetings with the Democratic Party and other critics of the Chinese government, who Chinese officials have refused to meet. He also made it clear that he was not planning a major reshuffle of the top ranks of the civil service.

Mr Tung was speaking yesterday in the Chinese border town of Shenzhen where he was attending a meeting of the Preparatory Committee, the body making preparations for China's resumption of power in Hong Kong on 1 July. He will go to Peking next week to be formally appointed Chief Executive

of the Hong Kong Special Administrative Region.

China is hailing Mr Tung's selection as the "beginning of Hong Kong's true democracy", according to the official *China Daily* newspaper, which appeared yesterday. "It is China's resumption of the exercise of sovereignty over Hong Kong", the commentary said, "which offers Hong Kong the unprecedented opportunity for its democratic development".

China is adamant that Mr Tung's selection by a 400-strong hand-picked committee of Hong Kong representatives gave the entire community an opportunity to participate in what is being described as an "election". This election produced three candidates, although the other two received about one-tenth of the votes given to Mr Tung who was picked by 320 of the committee's members.

The same committee re-assembles on 21 December to choose the 60 people who will replace the members of the legislature elected last year. More than half the members of the current legislature are among the 130

people who will be considered to fill the new body. Many of the candidates who stood for pro-Peking parties and were defeated at the last election have put their names forward for selection.

Mr Tung said yesterday that the appointment of a provisional Legislative Council was for the good of Hong Kong and that he expected the current government to co-operate with its work.

The Governor, Chris Patten, has made it clear that this will not happen but he has promised to co-operate with Mr Tung on other matters. Meanwhile, the British government has invited Mr Tung to visit London for talks, but he tactfully said yesterday that he was too busy to think of travelling abroad for the time being.

The subtle business of lobbying for places in Mr Tung's cabinet, and for senior civil service jobs, is already underway. The new Chief Executive says that it will take him about a month to appoint a cabinet. He can expect to be given plenty of unsolicited advice as he goes about this task.



Facing the press: Chief Executive Tung Chee-hwa in Shenzhen, south China, yesterday Photograph: Reuters

Stars protest over bid to block film

Renee Schoof
Associated Press

Peking — Paul Newman, Bernardo Bertolucci, Barbra Streisand, Spike Lee and 38 other Hollywood celebrities have sent a letter to China's government criticizing it for trying to block a film about the Dalai Lama and other productions.

Chinese film officials recently made it clear to the Walt Disney Company they opposed plans to distribute *Kundun*, a new film about the Dalai Lama. China condemns the exiled Tibetan spiritual leader, claiming that he is fomenting an independence movement.

China's objections were seen as a veiled threat that Peking would block Disney's plans to expand in the Chinese market if the company did not scrap the film. Last month, Disney said it would honour its agreement to distribute the film.

In a letter to the Chinese ambassador in Washington, 41 Hollywood celebrities condemned the Chinese government's efforts to dictate what kinds of film projects can be made in or about China. What China finds objectionable in *Kundun*, the letter said, is a portrayal of Tibet at odds with the official Chinese view. China often objects to outside criticism it sees as interference in its internal affairs.

"The interference that concerns us," the letter said, "is your government's attempt to impose worldwide censorship on any artistic production that does not meet with official approval."

Government spokesman Shen Guofang said yesterday: "The Chinese government and Chinese officials have never put any kind of pressure on Disney. In China, there is no system of film censorship." Mr Shen added, "China produces many films every year without any censorship problems."

The letter listed a dozen recent moves by the Chinese government to ban films or prevent filmmakers from working. China prevented Stone from making a movie in China about Mao Tse-tung in 1993 and banned the Academy Award-winning Chinese film *Farewell, My Concubine* in 1994 until substantial cuts were made. China's efforts to restrict the film world's right of freedom of expression was "wholly unacceptable," it said.

The directors and actors said they wanted good relations with the government, "but respect for freedom of expression must underpin those ties." The letter was released by Human Rights Watch-Asia.

Here is the news from Singapore

REUTERS

Reuters news agency has announced that it is shutting down its world news desk, picture and television operations in Hong Kong and moving them to Singapore next March.

The company denies that the closure has any connection with China's resumption of sovereignty over the British colony in less than seven months' time.

"If there was to be a concern about the handover," said Phil Mellichior, Reuters Managing Director East Asia, "it's not about people in the headquarters, it's about people on the front lines". He said the Hong Kong bureau would increase in size and that Reuters was continually trying to increase its editorial presence in China.

Although the withdrawal from Hong Kong is said not to be connected to the transfer of power, the decision was sufficiently sensitive to persuade Mr Mellichior to give the Hong Kong government prior notice of Reuters' intentions.

The timing of the announcement was also problematic, coming just a day after the appointment of Tung Chee-hwa as head of the first post-colonial government, making Reuters vulnerable to suggestions that

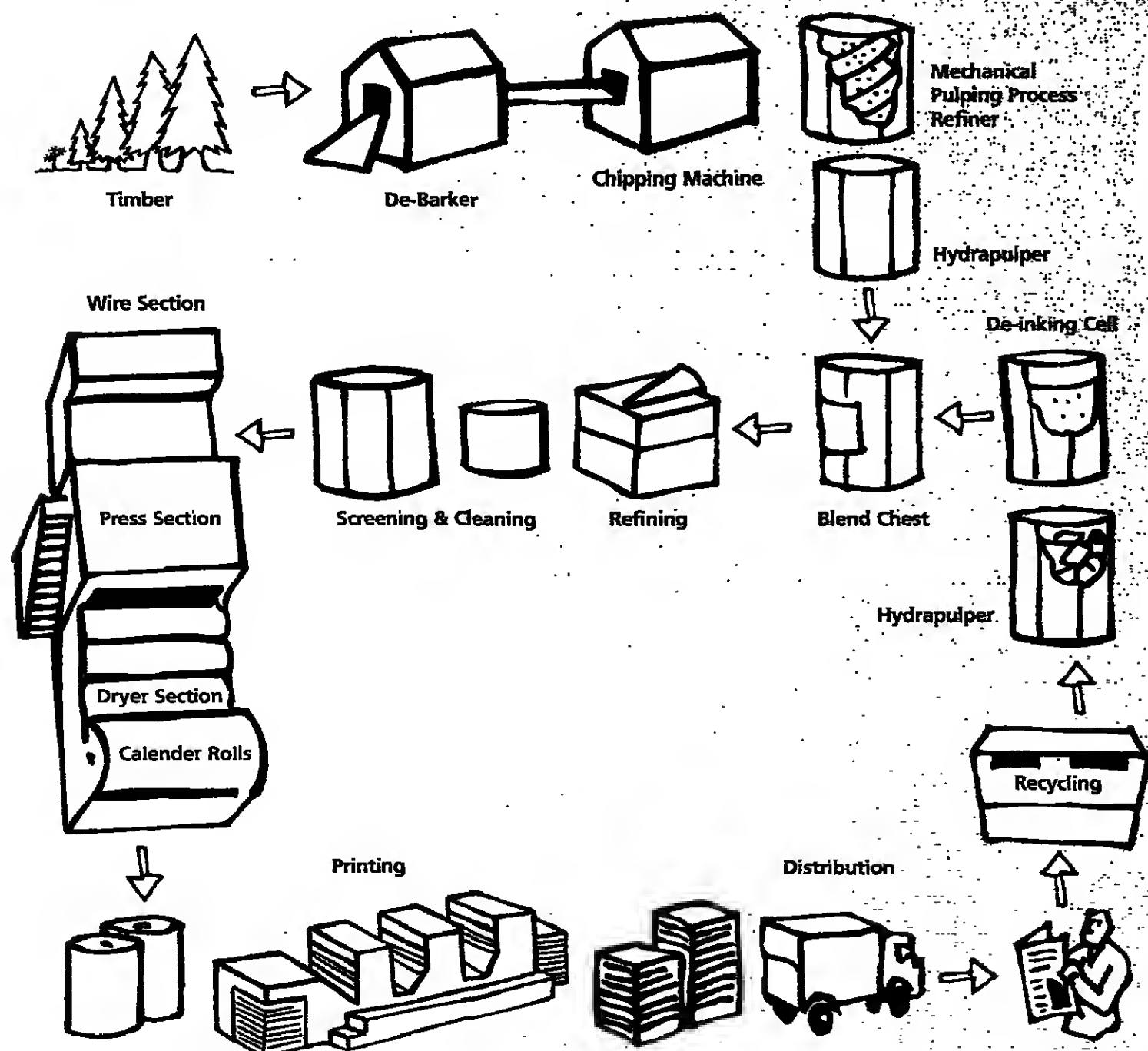
it was snubbing the new order. However, the move out of Hong Kong comes as part of worldwide editorial changes at Reuters and was announced as an element in this package.

Staff in Hong Kong were surprised by the move, which Mr Mellichior said had been under consideration since 1992 when Reuters purchased large premises in Singapore. One employee said: "It seems awfully funny to announce this a day after Tung Chee-hwa's election".

The company must have been aware of the situation in Hong Kong because Reuters Editor-in-Chief Mark Wood visited both the colony and China just three weeks ago and had talks with senior leaders in both places.

Other international news organisations contacted last night expressed surprise at Reuters' move and said they had no plans to move out of Hong Kong. It is, however, believed that all the major companies have contingency plans for a move should the situation deteriorate in the territory.

HERE'S ONE OF THIS PAPER'S BEST STORIES



The Making of your Daily Newspaper

FOR FURTHER INFORMATION DIAL THE FAX BACK NUMBER 0839 393037
Calls are charged at 39p per minute cheap rate and 49p per minute at all other times
OR WRITE TO: 1 RIVENHALL ROAD, WESTLEA, SWINDON, SN5 7BD
TELEPHONE: 01793 879229 FAX: 01793 886182

Issued by the NEWSPRINT & NEWSPAPER INDUSTRY ENVIRONMENTAL ACTION GROUP



Building Societies Act 1986.

Notice under paragraph 7 of schedule 17 to the Act.

Notice is hereby given that the Alliance & Leicester Building Society, Register No. 737B, whose principal office is at 49 Park Lane, London W1Y 4EQ, desires to transfer its business to Alliance & Leicester plc, and that the Society has applied to the Building Societies Commission to confirm the transfer.

Any interested party may make written representation to the Commission and/or give notice of intention to make oral representations to the Commission with respect to the application.

Written representations and notices of intention to make oral representations should be received by the Commission at Victory House, 30-34 Kingsway, London WC2B 6ES, by no later than 13th January 1997.

Oral representations will be heard by the Commission on 10th February 1997 at a time and place to be determined by the Commission.

**ALLIANCE
LEICESTER**

هكذا من الأصل

Suharto Inc. Probably the biggest family business in all Asia



Dynasty: The cast list

President Suharto, with the late First Lady, Tien Suharto, who died in April (centre), and Mutiara Mandala Putra (top row, second left), also known as Tommy, son, worth estimated \$600m, businesses include aviation, toll roads, autos, oil, son, worth an estimated \$3bn from his petrochemicals, broadcasting, telecoms and banking interests. Sigit Harjojudanto (in spectacles, top row), son, worth \$450m, from banking, plastics. Siti Hardjanti Rukmana (in headscarf), also known as Tutut, daughter, \$2bn, from banking toll roads, property. Smaller fry: Siti Hutami Endang Adnyingsih, called Mamiek, \$100m from oil, property, computers. Siti Hardjanti Harjandi \$200m, from oil, property, financial services.

Richard Lloyd Parry on rampant nepotism in Indonesia

This weekend, whether I like it or not, I will make several small but involuntary contributions to one of the most unsavoury causes in Asia. They will begin when I switch on satellite news on my television and sprinkle sugar on my morning orange. They will continue as I drive to the airport (perhaps in one of the brand new Timor national cars) on one of Jakarta's toll roads, and as I fly out of the city in a plane owned by the private carrier, Sempati.

When I check into my resort hotel (the Bali Sheraton, perhaps), I will be doing my little bit for the cause. These pleasures will have one thing in common. They will all enrich one family – the wealthiest and most powerful family in Indonesia, that of its president, Suharto.

Suharto is a towering figure, a general who came to power in 1965 during a virtual civil war to create a unified country out of the diverse islands, races and languages of Indonesia. Under his rule, growth is running at a steady 7 per cent and the 75-year-old President has established himself as the unofficial figurehead of the Association of South East Asian Nations (Asean).

Suharto is old now, and as Indonesians become richer and more educated, his government's close relationship with the armed forces, intolerance of

genuine democracy, and suppression of political opponents look more and more crude and anachronistic. But the greatest embarrassment – even for the country's elite, for whom authoritarianism is a worthwhile price to pay for stability – is the blatant corruption of Indonesian business. The symbols of this corruption are the First Children.

The Suhartos have an influential presence in most spheres

The CIA estimated the First Children's worth at \$30bn

of Indonesian life; a son-in-law is a rising general, a daughter is chairwoman of the ruling party. But it is in big business that they dominate. No one knows their collective worth, though intelligent guesses range from \$8bn up to a CIA estimate of \$30bn in 1989. It is concentrated in the hands of four siblings: brothers Bambang, Tommy and Sigit, and their sister, Tutut.

These four are among Indonesia's 13 richest indigenous

businessmen, and the industries in which they participate range from airlines, telecommunications, hotels and toll roads to sugar and oranges. The advantages enjoyed by the Suharto children surpass those of the President's most privileged cronies.

The President's children are among his closest advisers. One of the secrets of Suharto's 30-year survival has been regularly shuffling his courtiers and banishing those who show signs of acquiring too much independent power. Suharto's children, with their unmediated access to the presidential ear, are in enormous demand as intermediaries for local and foreign firms bidding for contracts. One foreign analyst in Jakarta reckons that among US firms the going rate for a Suharto is 25 to 30 per cent of the value of a contract.

In 1990, the American firm AT&T was competing with Japan's NEC and Sumitomo for the right to sell \$300m of telephone equipment. The Americans engaged as their "agent" the President's oldest daughter, Siti Hardjanti Rukmana, known as "Tutut". The Japanese hired Hutomo "Tommy" Mandala Putra, the youngest boy. The unfortunate officials presented with the dilemma of

choosing between two of the President's offspring came up with an ingenious solution: they doubled the size of the contract, and awarded the prize jointly.

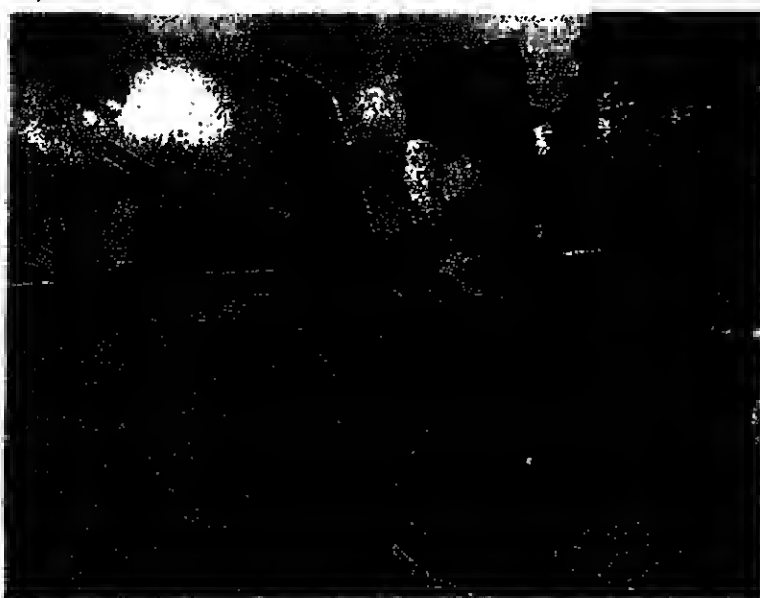
Nepotism on this scale is a drag on the economy and alienates the foreign investors Jakarta is trying to attract. The nadir came this year with the launch of the Timor, Indonesia's national car, a joint venture with the Korean car firm Kia. The Timor is a pet project of the President, and its award to Tom-

my was not a surprise. What did cause uproar was the decision to exempt it from import duties and the 35 per cent "luxury" tax. Tommy's Timor sells for about \$10,000, almost half the cost of similar imported models.

Underlying the exasperation is a great deal of tension, and a sense that the achievements of Suharto's "New Order" are starting to unravel. The President was treated for a heart condition earlier this year and as he grows weaker, political opposition to

his government is becoming more vocal. In July, Jakartans rioted after government-backed thugs raided the headquarters of the opposition Indonesian Democratic Party; dozens of non-violent political opponents were arbitrarily arrested.

Nobody stands out as a successor to Suharto, and the prospect of an uncertain or violent succession terrifies many Indonesians – among them, surely, the President's children. Their enormous greed, and their father's willingness to indulge it, smacks of desperation, a sense that time is running out.



The Friends Provident Stewardship PEP seeks to avoid investment in companies that harm people, wildlife or our world.



Instead, it seeks to invest in companies that deliver positive benefits to society.

'Subversives' trial opens

Jakarta (Reuters) — Trials began yesterday for 10 Indonesian activists, including an independent labour leader, Muchtar Pakpahan, on charges of subversion.

Defence lawyers said they were pessimistic about the outcome. Subversion carries the death penalty in Indonesia.

Mr Pakpahan, head of the Indonesian Labour Welfare Union, was accused in the South Jakarta State Court of subversion

and spreading hatred against the government in a book and statements made between August 1995 and July 1996.

The prosecutor claimed Mr Pakpahan made subversive and anti-government statements, including that he would use a "people's power revolution" if he could not achieve reform through constitutional means.

The indictment said the remarks were also made during a

speech at a Portuguese university in February and during an interview with Dutch television in July this year at his home.

Nine activists from the left-wing People's Democratic Party (PRD) faced similar charges in separate trials. The activists are accused of founding a group which was not based on the state ideology, and supported higher minimum wages and a referendum for East Timor.

Get more for your money with Cellphones Direct.

IT'S A GIFT
£9.99 inc. VAT



FREE 2 MONTHS LINE RENTAL
WORTH £39.26 inc. VAT
FREE CALLS - 50 MINS PER
MONTH FOR 3 MONTHS
FREE LEATHER CARRY CASE
AND IN-CAR ADAPTOR
WORTH £55
FREE COUNTDOWN
MEMBERSHIP FOR 1 YEAR
FREE £10 CHRISTMAS BONUS
VOUCHER
FREE LIFETIME PRODUCT
WARRANTY
FREE 14-DAY MONEY BACK
GUARANTEE
FREE DELIVERY IN 4 WORKING
DAYS

PRICE PLEDGE - We guarantee to match any
national advertised price for this product.
VOCATION PERSONAL WORTH TRIP
CONNECTION CHARGE £1.20 (incl. VAT)
VOICEMAIL RENTAL £1.20 (incl. VAT)
RECHARGE £1.20 (incl. VAT)
RECHARGE £1.20 (incl. VAT)
RECHARGE £1.20 (incl. VAT)
RECHARGE £1.20 (incl. VAT)

NOKIA

NEW GSM MODEL 1610.

◆ Up to 3.5 hrs talk-time
◆ Up to 100 hrs standby-time
◆ Up to 200 name/number
memory SIM dependent
◆ Fast recharge-55 mins
◆ Weight 250g

FREEPHONE 0800 000 888 Cellphones Direct

WOULDN'T YOU RATHER HAVE PROFIT WITH PRINCIPLES?

The Friends Provident Stewardship PEP

The Friends Provident Stewardship PEP aims to invest in companies that make a positive contribution to the world we live in. And to avoid companies whose business practices could be harmful to the planet and its people.

Yet this needn't mean avoiding a decent profit.

Over the past 5 years, Stewardship has out-performed the average return for all unit trusts, ethical or not.

Just the kind of performance you would expect from Friends Provident, the UK's leading ethical investment company, which manages around £700 million of ethical investments.

84%

Profit max Free
Five year returns out-perform the average of all unit trusts.*

Get on the Blue Line now, direct to Friends Provident.

The Blue Line is the fast no-hassle way to get the information you need about this product over the phone to help you make an informed decision.

You'll deal with friendly qualified people who will talk to you in clear straight-

forward language.

Call 0800 00 00 80 now, or contact your financial adviser, and you'll find that your principles needn't stop you making a profit.

The plus points of profit with principles

- Proven track record with good growth prospects.
- All profits are tax-free.
- Invest a lump sum (minimum £1,000) or monthly payments of £50 or more.
- Managed by the UK's leading ethical investment company.
- Investment in successful companies which are helping rather than harming the world.

Get on the Blue Line

0800 00 00 80

We're here to take your call 8 to 8 Weekdays, 10 to 4 Weekends.

FRIENDS PROVIDENT

FRIENDS PROVIDENT BLUE LINE LIMITED IS A REPRESENTATIVE ONLY OF THE FRIENDS PROVIDENT MARKETING GROUP WHICH IS REGULATED BY THE PERSONAL INVESTMENT AUTHORITY. THE VALUE OF A UNIT TRUST, AND ANY INCOME FROM IT, IS NOT GUARANTEED AND CAN GO UP AND DOWN DEPENDING ON INVESTMENT PERFORMANCE. PAST PERFORMANCE IS NOT NECESSARILY A GUIDE TO THE FUTURE. FULL TERMS AND CONDITIONS ARE AVAILABLE ON REQUEST. TAX LEGISLATION MAY CHANGE. *BASED ON THE PERFORMANCE OF THE STEWARDSHIP UNIT TRUST OVER 5 YEARS TO THE 24th SEPTEMBER 1995. ALL FIGURES ON AN OFFER TO BID BASIS WITH GROSS INCOME REINVESTED. SOURCE: MICROFIL.

Dump this tawdry millennium 'monument'

This millennium business is getting ridiculous. Seven months ago we asked: "Is anyone in charge?" And lo, it turned out to be Jack Cunningham, Labour's national heritage spokesman. The Greenwich monument for the year 2000 is to be built with business sponsorship, and business sponsors think we will have a Labour government by then, so they want the project underwritten by future ministers before they stump up the cash. Thus Dr Cunningham finds himself in control of the purse-strings.

"We must be prudent with the Lottery proceeds," he wrote in his most Victorian voice to Virginia Bottomley, who is now more the shadow minister than he is. "It is the people's money."

How right he is, if we can put aside for a moment his obvious delight in the situation. The wrangle over funding for the Greenwich exhibition exposes the lack of public enthusiasm for the project. Do people stop each other in the checkout queue to say, "Oh good, there's going to be a giant plastic hedgehog on a bit of derelict land in Greenwich?" They do not.

In fact, the plans are for a glass dome, but it will look like plastic. And it is a tacky monument anyway. Domes are a symbol of civic pride in the United States, where any city that

wants to be taken seriously has to have its own American football team and its own dome. The bigger the better, preferably air-conditioned, with "real" artificial turf (this for a working-class game intended to be played in mud and snow).

We are supposed to be proud and inspired that the Greenwich tent-dome, suspended on 12 masts each 100 metres high, will be bigger than the Georgia Dome in Atlanta or the Astrodome in Houston, and twice as big as Wembley Stadium.

Perhaps we British are just naturally sullen and ungrateful, but we are not impressed. This newspaper's architecture correspondent described the concept as a "giant trade fair", a "tawdry and embarrassing" theme park built around corporate advertising.

Astronomers are worried about light pollution from the monstrous illuminated hubbly. They have a point: there is a striking symbolism in the fact that it is so difficult to see the stars in so much of suburbanised Britain.

And Prince Charles is worried about the lack of spirituality in the millennium commemorations generally (he has a point, although if he pushes it too far people will point out that 2000 is a Christian date, the significance of which might be lost on atheists and Muslims, and that any-



ONE CANADA SQUARE CANARY WHARF LONDON E14 5DL
TELEPHONE 071-298 2000 / 071-345 2000 FAX 071-293 2435 / 071-345 2435

way Jesus was probably born 2,000 years ago this year).

It is conceivable that neither the commercialised crassness of the Greenwich scheme nor the almost total lack of public interest matters. The Crystal Palace put up in Hyde Park for the 1851 Great Exhibition was conceived as a temporary folly. But it turned out to be so popular that it was moved piece by piece to south London and preserved for posterity (until it burned down in 1936).

When Gustave Eiffel proposed his iron tower, many Parisians thought it would be a hideous eyesore. It

doesn't matter, he said, we can dismantle it after 10 years, when the 1889 centenary of the French Revolution has passed.

Now they say the same about the Millennium Ferris wheel proposed for the south bank of the Thames opposite Big Ben. At least that could be fun, and it is crazy enough to express a sense of confidence in the future which should be at the heart of the celebrations.

But the plastic hedgehog is all wrong and Dr Cunningham would be quite justified if he pulled the plug on it. It is now costed at £700m, of which

£200m would come from the National Lottery. But Dr Cunningham fears the bill could escalate to £1bn, and it is hard to contradict him. The project has been mishandled from the start and it reflects all the faults of both the Government's fraudulent conception of our "national heritage" and the undemocratic oligopoly which is handing out the astonishing piles of public money raised by the Lottery.

All over the country a class of project-brokers has sprung up to foist ambitious and unnecessary schemes on localities whose residents do not want them. The Greenwich scheme is simply the largest and most unwanted of them. Local consultation has been minimal. The local council has been shut out of the meetings. National consultation for this supposedly national and unifying event has been non-existent.

It is a bit late now for these faults to be put right. Michael Heseltine and Virginia Bottomley would have had a much better chance of success if they had decided on the Greenwich site at least a year earlier. Greenwich Council first proposed it in 1993, and the Meridian is indeed the obvious symbolic location.

But there is still time for the rest of us to come up with better ideas, and for Dr Cunningham - in power if not in office - to come up with

more democratic ways of spending Lottery money to back them up.

We like the idea of a Millennium Forest, planting new deciduous trees to link up some of the tattered shreds of woodland left strewn across the suburb of England. But there must be many more bright and forward-looking ideas out there. Let's hear them.

The Spice Girls aren't for turning

That brought us up short. We thought the Spice Girls were too young to remember Margaret Thatcher. But now we must accept them as thoughtful political observers. "Thatcher was the first Spice Girl," says Geri (the red-haired one). She was "the pioneer of our ideology - Girl Power". As the song has it: "I'll tell you what I want, what I really, really want." It turns out that girls with power really don't want the single currency, or a Labour government. Tough, Tony: being up with the culture did you no good there. Still, we're more concerned about the Spice Girls themselves: if they follow Maggie's heels too closely, they'll end up recording Kipling and the Gettysburg address, and that won't bring them power. Or much currency, either.

LETTERS TO THE EDITOR

Markets will decide fate of the euro

Sir: You are quite right to point out the dangers of rapid Euro-scepticism ("Lories who chime with Europe", 10 December). In a few months' time, when the final criteria for the euro are established, the markets will quickly decide whether it will fly or not, and therein lies the national interest Mr Clarke is so keen to protect.

On a personal level, we must all decide what is in our own best interest. Love the pound as I might, if the euro means cheaper mortgages, possibly at fixed interest, and more money in my pocket generally, I'll take it. If the Government opts out despite market confidence in the new currency, how will they stop the massive devaluation which would inevitably follow? They can't make it illegal to hold euro accounts, can they?

ROBIN PRIOR
London E8

Sir: Peter Prior (letter, 9 December) suggests that in 50 years' time sterling will be "bobbing helplessly in the waves made by the super-currencies". As one who has yet to make my mind up about the "noh" reasons for joining a federal Europe, I find the argument that there is a need for the UK to be part of a super Euro-currency unconvincing.

The volatile nature of the currency markets will always mean there is a case for strong "smaller" currencies to enable investors to minimise risk. With London already the currency exchange capital of Europe I would suggest that the financial systems to enable sterling to remain outside the EMU, whilst maintaining authority, already exist.

Dr EDMUND HUGHES
Dublin

Sir: When corporate logos are a widespread fad, may I suggest a design which could represent the preferences of those who (like me) are generally in favour of British involvement in the European Union?

The design, which could be worn as a badge, features a circular version of the British Union flag set in the centre of the EU flag, such that it is surrounded by the golden stars of the latter.

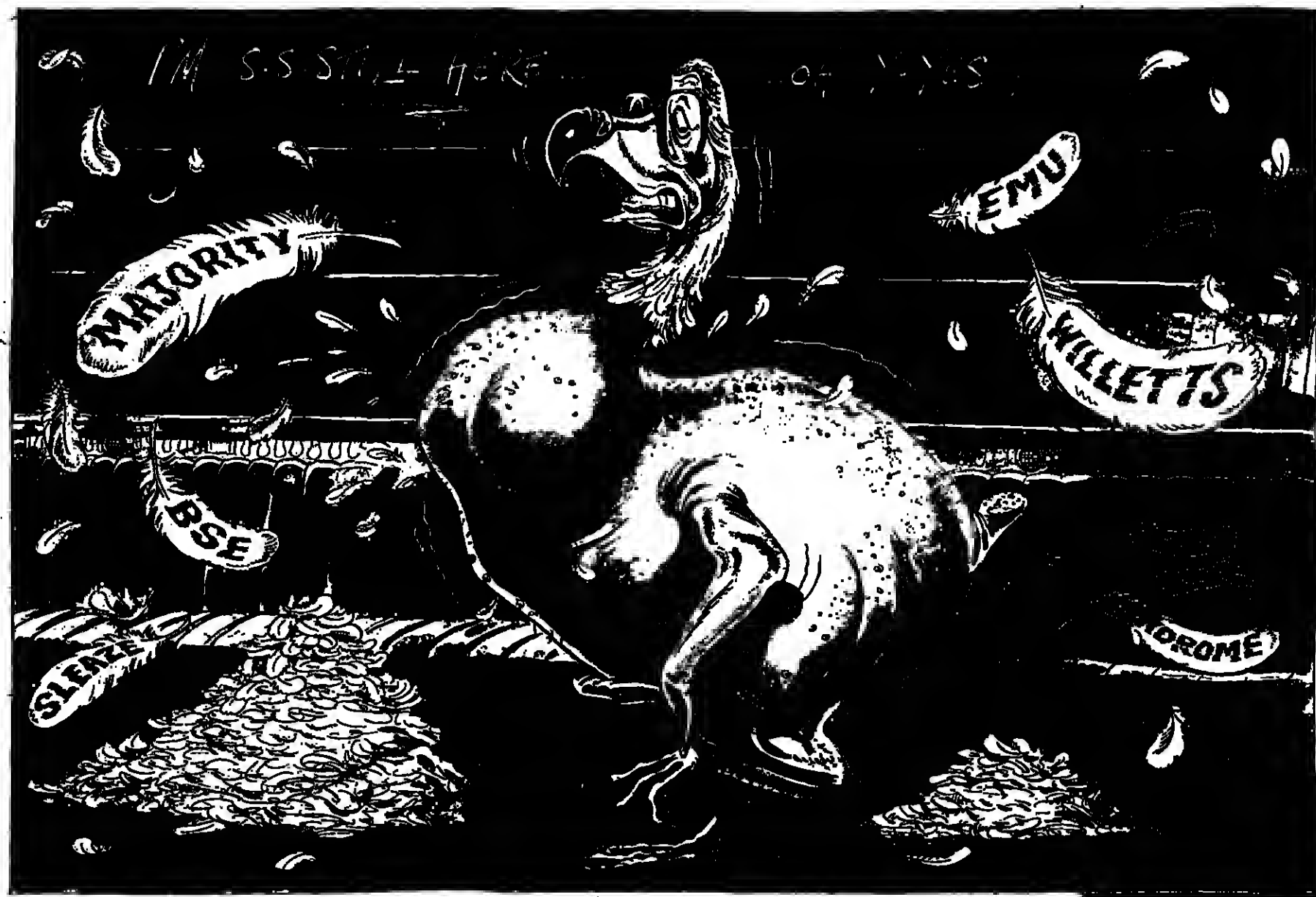
If this idea is considered worthy of merit, may I request as a prize one of the life peerages on offer in your leading article of 10 December?

JSEVANS
Chesham, Buckinghamshire

Sir: You reported ("Converts for anti-EU party", 6 December) that Rodney Saunders, a prospective parliamentary candidate for the Referendum Party, had defected to the UK Independence Party.

Mr Saunders was informed that he would not be put forward as a PPC for the party on 13 August 1996.

GREG TREW
Campaign Support Manager,
The Referendum Party
London SW7



Democracy falls victim to stalker

Sir: Wendy Callan's letter (11 December) graphically described the insufferable behaviour that is stalking, and the consequences for the victim.

As her letter indicates, the existing criminal law was able to deal with the behaviour. Her stalker was presumably charged under the Malicious Communications Act 1988, although, depending upon the facts, she could have been prosecuted for harassment under the Public Order Act 1986. Stalking has also been successfully prosecuted as grievous bodily harm.

Ms Callan was unimpressed by her stalker's sentence. However, this does not justify the fact that proposed additional measures to deal with stalking, the Protection from Harassment Bill, are to be rushed through all stages in the House of Commons on 16 December 1996 ("Sweeping penalties in new law on stalkers", 6 December).

The detail of that Bill is disturbing. For instance it marks a radical shift in what can constitute a criminal offence. Additionally it blurs the traditional constitutional distinctions, and safeguards, between the criminal and civil law. Furthermore, the Bill, once enacted, will add to the ever growing arsenal of laws which already exist to regulate public and private behaviour.

The decision to push the legislation through in one day highlights the democratic deficit which is now prevalent within government. Ironically, this denial

of parliamentary scrutiny means that the real victim of this Bill is democracy.

JONATHAN COOPER
Legal Director, Liberty
London SE1

Czech oppression of gypsies

Sir: On Human Rights Day, 10 December, Lubomir Zubak and other Czech Romanies held a protest in the centre of Prague against the rising persecution of their people. The protest continues against a background of pogroms and death threats while gypsies are being excluded from work and driven from their homes.

The Czech Republic is first in line of the Eastern European countries to apply for membership of the European Union. Yet since 1993 tens of thousands of Romanies have been excluded from Czech citizenship. The Czech government has taken no legal steps to counter the killing of gypsies, nor the open social apartheid which is banning the Roma from jobs and even from restaurants and public places.

All over Europe the Romanies, who lost more than half their number in the Holocaust, are being killed, beaten and denied a place to live. In London on Human Rights Day, launching its report "The Roma/Gypsies of Europe: A Persecuted People", the Institute of Jewish Policy Research called for war reparations for the Roma.

In the evening this statement was handed to the Czech ambassador in support of the Prague protest: "We request that the Czech government will do everything in its power to ensure equal citizenship, social justice and personal safety for the Roma of the Czech Republic. The United Nations has declared 1997 the Year of Tolerance and Understanding. Let its funds be used for this urgent task."

ANTHONY JULIUS
MARK KORN
Dr MARGARET BREARLY
(Institute for Jewish Policy Research)
Dr DONALD KENRICK
(Romany Institute)
PETER MERCER
(Gypsy Council for Education,
Welfare and Human Rights)
MORIS FARH
EVA EBERHARDT
(Pharm)
and others
London W1

No antibiotics in the milk

Sir: Mr Coleman's letter ("Farm antibiotics the real danger", 9 December) contains a number of inaccuracies.

If a dairy cow is treated with antibiotics, its milk is withheld from the food chain until any trace of antibiotics disappears. Therefore antibiotic residues are not normally present in milk. Samples of milk for testing are regularly taken on the farm and again at processing centres. Any farmer supplying milk

containing antibiotic residues is liable to severe financial penalties.

Mr Coleman is mistaken when he suggests that milk used to make yoghurt has to be heated to high temperatures in order to inactivate antibiotics which would otherwise kill a yoghurt culture. The reason many dairy companies give milk a high-heat treatment in yoghurt-making has nothing to do with antibiotics. The treatment alters the structure of the proteins in the milk and gives yoghurt the desired texture.

ANNE STACEY
Information Services Manager
National Dairy Council
London W1

Teachers work all hours

Sir: Last week I worked over 55 hours and I spent five hours on Sunday working on a new scheme of work for mathematics. On Monday I arrived in school before 8.30am and left, after a governors' meeting, at 9.30pm. The Organisation for Economic Co-operation and Development report that UK primary teachers work longer than their colleagues in other countries - 950 hours per year and fourth highest in the OECD's list of 20 countries - seems to grossly underestimate my workload and that of my colleagues in primary schools ("Britain's teachers at top of pay league", 10 December).

The School Teachers' Pay and Conditions Document of 1996, like

its predecessors for many years, states that "a teacher shall be available to perform ... duties ... specified by the headteacher for 1,265 hours in any school year". It continues, "A teacher shall ... work such additional hours as may be needed to enable him to discharge effectively his professional duties, including, in particular, the marking of pupils' work, the writing of reports on pupils and the preparation of lessons, teaching material and teaching programmes".

For a headteacher the only reference to working hours is that "a headteacher shall be entitled to a break of reasonable length during the course of each school day". I can't remember the last uninterrupted lunchtime I had.

DAVID CORNWALL
Headteacher, St Matthew's C E School
Weston, Cumbria

Free the children

Sir: Denis MacShane asks what can be done to stop child labour ("These small slaves need liberation", 9 December).

Unicef's State of the World's Children Report 1997, published on 11 December, states that provision of universal education is vital. Initially school removes children from the workplace. It also equips them with the knowledge and skills to enable them to exercise some autonomy in the work they do in adulthood.

Our government should be promoting education for all, and more aid spending should be directed towards this goal.

JANINE FEARON
Sheffield, South Yorkshire

Your jackpot prize - a peerage

Sir: Your criticism of Lord Cranborne ("Why Labour should send the lords a leaping", 10 December) rests upon a confusion. Every lottery produces results which, according to some other principle, seem biased. What the hereditary system does for the legislature is to bring in people who are not retired politicians, not those who have reached the top of some other ladder, not invariably in the second half of their lives.

If it is an objection that hereditary peers tend to be landowning males with upper-class accents, the remedy is not to abolish them but to introduce peers with some other sorts of ordinariness. The ancient Athenians used to choose members of the Boule by lot from suitably selected constituencies: in modern Britain the National Lottery is suitably biased away from the upper classes. Why not add to the jackpot a seat in the House of Lords?

JR LUCAS
East Lambrook, Somerset

Sir: There exists a precedent for compromise between those who, like Lord Richard, would totally abolish the rights of hereditary peers and those like Lord Cranborne who would retain the status quo. It is the Act of Union of 1707, whereby 16 of those with exclusively Scottish titles were to be elected by their peers in Edinburgh at every general election of Parliament. This they did until 1963, when the Peerage Act entitled all Scottish peers to attend and vote, and the system of representation ended.

The House of Lords could be reformed to accommodate a fraction of the present hereditary peerage, elected by their peers of the UK as a whole, thus greatly reducing the hereditary element in the House in a small group sitting there through a combination of tradition and merit.

JAMES ALLAN
Edinburgh

Sir: In so far as the hereditary principle can still be justified in the governance of nations, Lord Archer's Bill to place men and women on an equal footing with regard to the succession to the throne has much to commend it (report, 10 December).

However, under the Statute of Westminster, no change to the law of succession to the British throne may be made without the consent of the parliaments of the Dominions (of which there are now upwards of a dozen). I trust that this aspect of the law will be given serious attention before Lord Archer's proposal is allowed to progress to Royal Assent.

STEPHEN G LINSTAD
Sohill,
West Midlands

Rainbow rage

Sir: The "bright yellow burglar alarm box" which a Gloucestershire couple "have been ordered to camouflage" by Cotswold District Council (report, 9 Dec) is only part of the problem.

Recently driving through the area, I was dismayed by the bright red, amber and green of the traffic lights, while even more disturbing was the eye-searing fluorescent clothing of the road workers and their vehicles' flashing beacons. I'm not one to complain, but really ...

ROBERT VINCENT
Andover, Hampshire

debate

Anti-Gay

Are homosexuals gay?

Anti-Gay, a collection of essays by 'non-heterosexuals' in revolt against the pill-popping, hedonistic culture of the club scene, has divided the homosexual community. Two of our writers take sides ...

GAY

Simon Edge

Editors love nothing better than a truth turned on its head, and Mark Simpson, the editor of *Anti-Gay*, knows it. The master of the gender-bending paradox, Mark subverts stereotypes to a hilarious formula: I'm gay but I don't like disco; I'm gay but I don't like gay men; I'm gay but I don't like gay bars.

With *Anti-Gay*, he has taken the joke to its logical conclusion. Proudly describing himself as a far from happy homosexual, he invites his fellow contributors to tilt at the windmill of monolithic gay culture and pronounces himself bored with "gay".

On these pages, John Lytle gives "gay", *la Simpson*, a capital G and lo! - ideological conflict is born. Before you can say Tom Robinson, Mark has become the scourge of brainless hedonism, offering a bridge back to the halcyon days when we were miserable, but at least we knew why.

You might expect an argument between "gay" and "anti-gay" to place between Ian McKellen and Edwina Currie in one corner, and Dame Jill Knight and Terry Dicks in the other. That the terminology doesn't quite fit offers an early clue that Mark's zany publishing wheeze is not quite the cerebral bombshell it is cracked up to be. But since *Anti-Gay* has become a rallying point for all those who fear that the gay community is pill-popping itself into oblivion, it is time to knock that myth on the head once and for all.

We have simply never had it so gay. A senior member of the Shadow Cabinet is out and unscathed, as is a Tory backbencher. The deputy chairman of the Conservative Party attends a gay rights gala. The Archbishop of Canterbury says homosexuals are made in God's image. A gay activist is knighted. A High Court judge says the ban on lesbians and gay men serving in the armed forces is indefensible. Gay celebs are never off the box, and woe betide the soap without a gay character. Even *Neighbours*.

The world is being forced to decide whose side it's on - and the answer is increasingly ours. You can still be sacked for being gay, but it happens less often because more people will make a fuss. Many of us still face prejudice from families, neighbours and colleagues, and queer-haters still stalk the streets. Nevertheless, it is easier to come out than ever before, because fewer people hat an eyelid when we do: the 200,000 people who attend our annual Pride festival these days are living proof that homophobia is alive and well in too many walks of life, but gay people are incomparably better off in 1996 than we were one decade ago, let alone two or three.

But for Mark and contributors such as Peter Tatchell and Paul Burstow, not to mention the blessed Lytle, there is a problem.

The Nineties have also seen a relentless growth in the commercial gay scene and a cult of rampant consumerism. Read the free gay press nowadays and little exists beyond the party culture of drugs, dance music and disco tits - for the boys, of course. If you don't conform in looks, age, (cup-) size, speeding power or HIV antibody status, your invitation has effectively been lost to the post. Nobody said the New Jerusalem would have such narrow visa requirements.

The "anti-gays" accept without question that the dual phenomena of extraordinary progress and wild hedonism are naturally antagonistic. You can see why the press, once investigative, now largely trash advertorial, winds them up: cover headlines such as "Is your penis big enough?" and "Maddonna [sic] as Evita" are hardly the pinnacle of homosexual creative achievement. And surely bulging pectorals and pavement cappuccino cannot be the motor of social change?

At long last, we're gay in both the ancient and modern senses of the word, and our gayness is a beacon for those trapped in the mystery of repression and self-denial

But they are, Blanche, they are. In the Seventies, the only public images of homosexuality were Larry Grayson and Mr Humphreys from *Are You Being Served?*

"Shut that door," Larry advised, and by crickey we did: as a mixed-up gay teenager, I padlocked myself inside the closet. Thankfully, times have changed. Glad to be gay has become a lifestyle, not a gritted-teeth slogan, and brash images of a cocky and glamorous subculture are hard to miss. When papers like the *Evening Standard* run a gay clubbing section, you know we're winning. Hail Mary, they think we're hip.

At long last, we're gay in both the ancient and modern senses of the word, and our gayness is a beacon, a benign siren call for those trapped in the misery of repression and self-denial. The knock-out effect is liberating collectively as well as individually. It means more lesbian and gay people stand up for themselves and for us all - in the street, at work and in the family - thereby hacking great chunks off the edifice of prejudice. That, in turn, makes it easier for others to come out. The vicious circle, where the closet gave prejudice its life-blood and prejudice strengthened the closet, has suddenly turned virtuous.

Commercialism breeds more diversity than it gets credit for - show me the straight equivalent of the thriving clubs for fat gay men, where "body fascism" is outlawed - but that's not the point. The party culture is important as a means, not an end. Hedonism, whether it knows it or not, is the best tool we have ever had for emptying the closets, and it has fuelled, not undermined, the gains of the gay Nineties. It's the greatest ideology of them all. And for Mark and his friends prefer straight bars, they will find less prejudice there as a result of it.

ANTI-GAY

John Lytle

Let's set the record bent. Homosexuality and Gay are separate entities. To be homosexual is to be attracted to the same sex, full stop, period. To be Gay is to be attracted to members of the same sex and John Richmond tops, rainbow flags, Gina G CDs and pineapple-scented hair gel.

Homosexuality is doing what comes naturally. Gay is a cultural and - more and more - a commercial construct, a one-size-fits-all identity: homosexual men are not only told "Suits you, sir" - even when the tight fit is obviously constricting blood flow to the brain - but also that it will actually liberate them, bring equality, basic civil liberties, everything; if they'll toe the party, party, party line.

It wasn't always so. Gay used to be a rallying cry, then an ad hoc, seldom agreed but affirming ideology that propelled the brow-beaten out of the closet,

out of invisibility and into ... what? Gay would claim the light, which of course loosely translates as "ghetto".

The ghetto - like Gay - should have been a phase we were going through. A stopping and coping off place to gather thoughts and forces; a safe yet transitory retreat when we weren't advancing. Except that Gay got stuck in the fun in, predictably, additively defining itself solely through (yawn) sex. This was a classic own goal and a clear contradiction, for the aim, Gay proclaimed, was mainstream acceptance, assimilation, the end of difference making a difference.

Which explains why homophobia

loves, not loathes, Gay. Gay gives documentary justification to shrill claims of heedless hedonism. And Gay requires homophobia. It keeps the quarrel safely about how "they" define us, deflecting attention from the urgent subject of how we redefine ourselves in a time that could soon see us married with children, or, worse, in the military. Surely we wanted to be less of the minority and more of the masses; everyday and ordinary, with no need to be always pathologically proud or upbeat; allowed, at last, to relax and have off days too.

Only Gay can't move on. It clings to the freedom of its chains, refusing even

to discuss what the future may do to the way we think and feel about ourselves beyond chanting Gay is Good. Once a proud parent, Gay has exhausted its primary purpose and seen its day, become a brand name, a thick pink (pound) phenomenon with a self-self-justifying chat-up line. And the punters fall for it time after time: pleasure is, God damn it, their birthright, especially after the crap that the big bad world has thrown at them, poor little diddums. And, Gay gasps, they needn't be ashamed of grandiose consumption, for - how canny, how convenient - their pleasure, like the personal, is political.

Which is kind of true. If you're desponded, feeling better about yourself is a mandatory baby step. And then? What's next? Now what? How is hard-won visibility harnessed? How do you slip the ra-ra-ra back into radical?

In the main, you don't. One: to achieve Gayhood is the end in itself. Two: if the message is that revolution really exists in revolutions per minute, then the first step is the second step is the third step - a dance step. Follow the bouncing logic: the freeing of the non-heterosexual from the killer coils of bigotry and oppression will be the first time in human history that shaking it, and putting it, about on a Saturday night has granted a downtrodden minority their inalienable human rights.

Not that Gay wants anyone to stop and mull it over. Neither does Gay want you pondering upon otherwise inexplicable attacks on the campaigning, plod, plod, plod. Pick up the Gay press and witness the sniping at Stonewall, the organisation behind the lowering of the homosexual age of consent, the regular saving of Outrage, *et al*. Nonsensical, unless you understand that Gay, the franchise, is (subliminally?) attempting to maintain a rather cosy status quo. It (unconsciously?) realises that battling through the courts, domestic and European, war inevitably forge a future that will transform a certain sensibility, and scene, beyond recognition - and probably trash, profit margins. Yet Gay - fooling no one, but itself - screams it wants change. Indeed, it claims sole credit for it.

You know the rap - it's an update of that hardy perennial, Famous Gaggots of History: how Gay, and Gay alone, single-handedly changed the world. See, that pop star is Gay, that MP is Gay, haven't you clocked East-Benders, what about Michael Barrymore for a role model, etc. The idea that Aids may have horribly, relentlessly, raised and altered public consciousness isn't even considered.

Neither is the effect of feminism, nor the collapse of the family, nor the role of capitalism itself in making previously condemned lifestyles commonplace. Gay has a vision, all right, and it's tunnel. It cannot imagine that it did not transform the environment; rather, that the environment transformed it.

Which is a matter of faith. Gay is a faith - a faith for the few. Certainly not for the black, the fat, the female (unless she sings), the over-40, or those who know a straightjacket from a life jacket. It's a faith with its face permanently before the mirror without ever seeing itself (well, look what happened to Caliban). Convinced of its rightness, unaccustomed to challenge, Gay need not argue issues. Instead it lays down the law, snugly accusing the heretic of bringing the Word into disrepute, of (revealingly) "misinformation", and of "internalised homophobia".

Gay cannot bring itself to believe you mean what you say. There has to be something wrong with you. Which magically returns us to the political being personal - very personal. And to that confusion between homosexuality and Gay that allows the latter to pontificate for the former, so arrogantly certain of itself that it forgets that all faiths finally fall, and that life's single lesson for everyone is Adapt or Die.



IN THIS WEEKEND'S INDEPENDENT ON SUNDAY



THE REAL LIFE CHRISTMAS & NEW YEAR CLUB GUIDE

'Tis the season to get back on the dance floor. If you're a once-a-year clubber or an old hand you need our comprehensive festive clubbing guide - over 100 events nationwide

IN THE SUNDAY REVIEW

Remembrance of times past... In what she believes will be her last major piece of published writing, Martha Gellhorn (right), looks back on some extraordinary moments from her extraordinary life

'One of the most wonderful chapters in the whole history of art...' David Sylvester on early Cubism

Plus: Andy Beckett on a thoroughly modern drifter, and the very best of Christmas wines and liqueurs

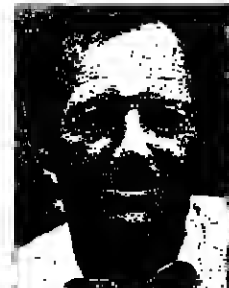


Fobbing people off, the English way

Today, as a service to students of English as a foreign language, or just to students of the British people, I am bringing you a list of fourscore different ways in which you can say "I cannot help you" in English, a phrase that has made us a legend through the international business and industrial world.

I would like to help you, but...
Much as I would like to help you...
With the best will in the world...
I only wish...
I'm afraid I cannot be of assistance.
I'm extremely sorry.
I'm very sorry.
I'm sorry.
Sorry.
Sorry, but there it is.
Sorry, darling.

Afraid not.
Count me out.
No can do.
No way. It's not on.
It's out a possibility.
What we are looking at is not in the realm of the possible.
Out of the question.
Not a chance in hell.
Chance would be fine thing.
I should coco.
Pull the other ooc.
Do me a favour.
And pigs might fly.
And I'm the Queen of Sheba.
I haven't got four pairs of hands.
I can't work miracles.
Are you serious?
Are you taking the Michael?
Are you winding me up?
Are you on the level?



Miles Kington

I don't believe it.
I do not believe it.
This I do not believe.
This I cannot credit.
You're asking the impossible.
You're asking for the moon.
Don't ask for credit, as a refusal often offends.
No way, Jose.

Not in a month of Sundays.
Not in a hius moon.
Not in a Prestoo Guild.
Not on your nelly.
I can't see it.
I'm not with you.
I cannot see my way to granting your request.
Miracles we can do, the impossible takes a little longer.
This is out my department.
You have come to the wrong person.
Not down this neck of the woods.
Wrong number, old son.
Hard cheese.
Tough titty.
No dice.
Not a chance.
Forget it.
You should be so lucky.
Look...
Look, darling...

Look, darling, I'd love to help, but...
Look, darling, I'd love to help, but you're asking the impossible.
Please don't insist...
Oh, yeah?
You and whose army?
See who?
Wanna bet?
Are you sure?
Are you trying it oo?
You've picked the wrong customer.
Nobody says that to me and gets away with it!
You're out of order.
You're way over the top.
You're crying for the moon.
I refuse to co-operate until you remove the beef ban.
I would like to help you, but...

Back to the beginning and start again.

business & city

Business news desk: tel 0171-293 2636 fax 0171-293 2098
BUSINESS & CITY EDITOR: JEREMY WARNER

Guinness report likely to slate top City figures

Jeremy Warner

Several leading City figures are expected to be strongly criticised in a Department of Trade and Industry report on the Guinness affair to be published next week. 10 years after government inspectors were sent in to investigate the company.

The long-delayed report is to be published "within days" of a ruling by the European Court of Human Rights on whether accepted civil liberties were infringed in prosecuting Ernest Saunders, the former Guinness chairman, and others.

Government sources say the report will be published re-

Saunders ruling to pave way for publication next week of damning DTI findings on share support operation

gardless of whether the European Court comes down in favour of Mr Saunders. Judgment is expected to be handed down on Tuesday.

The DTI report has already been redrafted to take account of the acquittal on theft charges of Thomas Ward, the American lawyer caught up in the Guinness affair, and the Serious Fraud Office's decision to drop proceedings against David Mayhew, a senior partner of the stockbrokers, Cazenove.

However, the DTI's inspectors, David Donaldson QC and

Ian Watt, remain scathing in their analysis of events surrounding Guinness's bid for Distillers in the mid-1980s and highly critical of a number of those involved.

One source said: "This is going to be a big embarrassment to those hoping the Guinness affair had gone away for good. It's coming back to haunt them."

The report steers clear of criticising the professionals caught up in the affair—lawyers and accountants—but there is severe censure of eight of the main protagonists. Also singled out

for strong criticism is Morgan Grenfell, which advised Guinness on the Distillers takeover. Several others are cited in language that alleges negligence and varying degrees of involvement.

The report also touches on some smaller "share support" frauds which took place in the City at about the same time.

No view is expressed on whether part of a secret £5.2m payment by Guinness which mysteriously passed through Mr Saunders' Swiss bank account was intended for him. Mr

Saunders has consistently denied it. The episode was never the subject of charges against Mr Saunders, but the payment was examined at length during his trial.

The Guinness affair resulted in the conviction for fraud of four men—Mr Saunders, Tony Parnes, the stockbroker, Gerald Ronson, the property tycoon, and Sir Jack Lyons, patron of the arts. All except the last of these were jailed.

Criminal proceedings against a further three, David Mayhew, Lord Spens and Roger Seelig,

were abandoned while Mr Ward was acquitted after a lengthy fight against extradition from the US.

The DTI report deals with Guinness's attempt artificially to inflate its own share price during the contested £2.7bn bid for Distillers, thereby enhancing its chances of winning.

Guinness secretly indemnified a series of "supporters" against any loss they might sustain in buying the company's shares. Some £25m was later paid in "success fees" and commissions, much of it through ob-

scurely named nominee companies in off-shore tax havens.

One former Guinness director said last night that it did not surprise him that the report was being rushed out. "They [the authorities] want to defuse any falling against them in the European Court and this is one way of doing it," he said.

Mr Saunders maintains his prosecution was unfair since it was partly based on evidence collected by DTI inspectors, who had deprived him of his right of silence. Under the Financial Services Act witnesses

are obliged to answer the questions of inspectors on pain of imprisonment. There is as a consequence no protection against self-incrimination.

Lawyers familiar with the case expect the European Court to come down strongly against the Government in its use of DTI inspectors to collect evidence. However, the judges are not expected to overturn the conviction and may go further by publicly stating the prosecution would have succeeded even in the absence of the DTI transcripts. Publication of the report will bring to a close one of the most protracted episodes in British corporate history.

Spending triggers inflation fears

Diane Coyle
Economics Editor

Buoyant consumer spending is bringing the threat of higher inflation and imports, while the strong pound has started to hit exports. So official figures on retail prices and the latest CBI survey of industry suggested yesterday.

Rising prices on the high street meant the target measure of inflation did not edge down in November, disappointing some economists. Many believe interest rates should go up if the Government wants to hit its inflation

target. Separately, the CBI reported that the rise in the exchange rate had taken export orders to their lowest for nearly three years. It predicted a ballooning balance of payments deficit next year.

"It is a weaker form of the classic British pattern of rising inflation and a balance of payments gap, although we do have a better performance by UK companies now," said Sudhir Junankar, a CBI economist.

Eddie George, Governor of the Bank of England, speaking in Lisbon the evening after Wednesday's monetary meet-

ing, repeated his view that base rates need to rise. "The sooner the question is addressed, the better," he said, although he added that rates would not have to go much higher.

Most City experts believe that although the Governor did not persuade Kenneth Clarke to take his advice this week, the Chancellor will be forced to act in January or February.

The Treasury said November's 3.3 per cent inflation on the target measure was likely to fall during the next few months, as a period of falling prices last year dropped out of the 12-month rate.

However, the details of yesterday's figures suggested that retailers might be trying to increase their margins in the face of strong consumer demand. Prices for household goods increased by 1 per cent during the month, and clothing and footwear prices were up 1.1 per cent following a record 5.2 per cent increase in September.

The price of leisure goods increased by 0.6 per cent. Motor costs fell in November, but not as much as a year earlier. Service prices rose little during the month but are trending upwards.

Lower food prices off-set much of the damage, falling 0.4 per cent during November to a level only 1.5 per cent above a year earlier. Meat prices fell sharply, especially pork and poultry, reversing some of the big increases triggered by the beef crisis.

Concerns about inflation were increased by a jump in the balance of manufacturers planning to raise their prices, from 8 per cent to 12 per cent. The CBI's survey showed price expectations have jumped to their highest since March after several extremely subdued months.

"Manufacturers seem to have set their heart on New Year price rises," said John O'Sullivan at NatWest Markets.



Harvey Nichols, the Knightsbridge store group, announced first-half profits up 35 per cent at £5.5m. Sales at the flagship store in the first nine weeks of the second half are 16 per cent ahead. From left to right: Clive Morton, Joseph Wan, chief executive, and Patrick Hanly

L&G sees end to bull market

Magnus Grimond
and David Osborne

Two leading investment institutions yesterday forecast an end to the boom in UK equities next year. Signs also emerged yesterday that the flood of cash into US mutual funds, the equivalent of unit trusts, was drying up.

The bearish news came as the London stock market continued to be gripped by the nerves which have afflicted it since Friday's 38 point plunge, ending just 3.2 points higher at 3,990.7 at the close yesterday after having been more than 27 points earlier in the session.

Legal & General, which manages close to £50bn of funds, said it planned to be a net seller of UK equities and raise cash balances from around 3 per cent to as high as 6 per cent of its portfolio next year ahead of what it expects to be growing inflationary pressures in the economy. The group compared the £2.1bn of impending mutual societies flotations with the enormous equity withdrawal from soaring

house values during the "Lawson boom" of the late 1980s. Such windfall gains could "leak" back into the broader economy at the rate of between £5bn to £10bn a year, equivalent to 4p of the basic rate of income tax, the group claimed. That will help fuel a 4 per cent growth in consumer spending next year, L&G believes, the first time since 1988 and 1989 that growth has reached 4 per cent.

After a stunning 16.2 per cent return in 1996, the group is expecting the return to slow to just 4 per cent over the next 12 months with the FTSE 100 index ending the year around the current level of 4,000.

M&G, the fund management group, also said yesterday it expects a subdued performance from the stock market as a whole next year.

US industry sources also confirmed that since the market's jitters began last week, the torrent of cash into mutual funds has slowed. Such funds have seen investment soar to \$207.9bn (£125bn) this year, 60 per cent higher than the previous record.

Ovitz rumours rife at Disney

David Osborne
New York

Speculation was raging yesterday over the future of Michael Ovitz, the hard-driving second-in-command at the Walt Disney Company, who is reported to have long been unhappy at the entertainment giant and in search of an escape hatch.

It is less than 18 months since Mr Ovitz, widely dubbed "the most powerful man in Hollywood", walked away from the Creative Artists Agency and became president of Disney. Talk was almost instantaneous, however, about a clash of style with his old friend,

Michael Eisner, the Disney chairman.

Were Mr Ovitz to walk from Disney it would not be without considerable compensation. It is thought that under his contract his pay-off would be \$10m (£6m) alone. He would, however, sacrifice his Disney stock options. Disney shares have risen about \$20 to \$72 a share since Mr Ovitz arrived.

A possible bolt-hole for Mr Ovitz is Sony, which has been looking to revive its ailing Hollywood operations. Rumours abound that Nobuyuki Idei, president of Sony, may be about to instal Mr Ovitz as president of Sony's US subsidiary, the

Sony Corporation of America. That position was held by Michael Schulhof until he was forced to resign in 1995.

Mr Ovitz apparently had dinner with Mr Idei this week and held other meetings with top Sony executives. The company, however, is refusing to confirm the speculation. "There are no plans to hire Mr Ovitz," a Sony spokesman said, while adding that there had been "definitely serious conversations" about the possibility.

Mr Ovitz was also reported to have held talks with executives from Viacom, including its chairman, Sumner Redstone, on a visit to New York.

Pro-privatisation group to lobby after election

Michael Harrison

The pro-privatisation lobby group formed by the British Airways chairman Sir Colin Marshall has decided not to start campaigning until after the general election to avoid accusations of party political bias.

The formation of the group ran into a storm when it emerged it was being set up with the backing of Michael Heseltine, the Deputy Prime Minister, amid suggestions it would be used to lobby against Labour's proposed windfall tax.

But addressing an inaugural breakfast meeting yesterday attended by 45 chairmen and chief executives, Sir Colin said he and fellow founder, Unipart's chief executive John Neill, had made it clear from the start that the campaign was nothing to do

with the windfall tax or any other place of legislation.

"If there is any political angle to our thoughts it is in the promotion of our market-driven economy and the battle for increased British competitiveness on a global scale. And that is quite firmly on the policy agendas of both the Labour and Conservative parties."

So far, five senior figures have been elected to the group's steering committee including Sir Evelyn de Rothschild, chairman of Rothschild's merchant bank, and Sir Derek Hornby, chairman of Eurostar operators London and Continental Railways.

Sir Colin said it would take at least six months to draw up an agenda and a budget and begin work, meaning it would be unveiling no initiatives until after the election.

Comment, page 23

Independent directors beef up LME regulation

Peter Rodgers
Financial Editor

The London Metal Exchange is expected to beef up its board with more independent directors and set up new information-sharing arrangements with the Securities and Futures Authority, after the official report on the Sumitomo affair is published, probably next week.

But the LME is thought to have less a campaign to require all metal traders in London to become members of the exchange.

Sumitomo and some of the traders through which it dealt were not members of the LME

and were outside its regulatory control when Yasuo Hamanaka, the Japanese company's rogue trader, ran up copper losses of \$2.6bn in the spring.

Some copper traders such as Winchester Commodities were however registered by the Securities and Futures Authority, the securities market regulator. The report by the Securities and Investments Board, the senior City regulator, was begun after a request in June from Raj Bagri, chairman of the LME, shortly after the copper scandal came to light.

Mr Bagri said yesterday: "We find it incongruous that under the Financial Services Act peo-

ple can trade millions of tonnes of metal without needing to be members of the LME. They can be just members of the SFA."

However, under existing legislation the SFA cannot require a trader to join the LME. Mr Bagri said he believed it was essential that the Act should be changed but conceded that there would be a problem finding parliamentary time.

In the absence of changes in the Act, the best alternative would be to obtain information on copper trading businesses and their staff from the SFA and "exercise jurisdiction via the SFA", he said.

Mr Bagri added that the

LME had made clear to the SFA several years ago that it would like access to more information about copper market participants who were not exchange members.

Mr Bagri, who was re-elected chairman for a fifth term on Wednesday, said four of the 16 directors of the LME were "invited" members and one of these was independent of the metals industry. The total of invited directors would be increased to five or six and at least half of this category would be independent.

Other changes at the LME will include a substantial increase in its present secretariat

of 45 as part of a drive to toughen market surveillance, information reporting, compliance and monitoring in the wake of the Sumitomo affair.

The SIB report is expected to recommend a tightening of the LME's rulebook and it is also certain to back international moves this autumn to improve co-operation among regulators, including the Windsor accord which agreed new information-sharing arrangements.

There is no suggestion that large international copper dealers such as Sumitomo should be brought inside the London regulatory framework, which would be impractical. The drive

to prevent future scandals is concentrating on improving the links between regulators to ensure information is exchanged and warnings are acted on.

LME questions about Mr Hamanaka's activities several years ago were ignored by the company and the Japanese authorities. The rulebook will be strengthened to allow the market authorities to obtain more information from members on their own and their clients' business dealings. Members will be pressed to give more information on the counter business, outside the exchange.

STOCK MARKETS					
Index	Close	Day's change	Change (%)	1996 High	1996 Low
FTSE 100	3990.70	+8.20	+0.2	4073.10	3632.30
FTSE 250	4379.50	+12.70	+0.3	4568.60	4015.30
FTSE 350	1984.10	+4.40	+0.2	2022.10	1816.60
FTSE SmallCap	2139.67	+1.25	+0.1	2244.36	1954.06
FTSE All-Share	1895.25	+4.17	+0.2	1994.54	1791.85
New York	6365.61	+36.91	+0.6	6547.79	6022.94
Taipei	20501.20	-57.16	-0.3	22666.00	19734.70
Hong Kong	83	n/a	n/a	10204.87	3137
Frankfurt	2847.06	+6.33	+0.2	2909.81	2253.36

Source: FT Information

INTEREST RATES					
Short sterling	UK medium gilt	US long bond	Money Market Rates	Bond Yields	
3 Months	1 Year	3 Months	1 Month	1 Year	3 Months
5.75	6.00	7.50	6.03	6.00	7.50
5.75	5.75	7.50	5.75	5.75	7.50
5.75	5.75	7.50	5.75	5.75	7.50
5.75	5.75	7.50	5.75	5.75	7.50

CURRENCIES					
£/\$	£/DM	£/¥	DM/\$	¥/\$	
1.6582	1.6582	1.6582	1.6582	1.6582	
1.6582	1.6582	1.6582	1.6582	1.6582	
1.6582	1.6582	1.6582	1.6582	1.6582	
1.6582	1.6582	1.6582	1.6582	1.6582	

This notice is issued in compliance with the requirements of the London Stock Exchange Limited (the "London Stock Exchange"). Application has been made to the London Stock Exchange for admission to the Official List of the undermentioned securities.

Hicking Pentecost PLC

(Incorporated and registered in England No. 406925)

Hicking Pentecost PLC ("Hicking Pentecost") is raising approximately £23.8 million (before expenses) by way of a placing and open offer of £3,962,095.50 nominal of fully-paid convertible non-interest bearing secured loan stock 1997 divided into 1,924,199 units of 50p each ("Stock Units") at 300p per Stock Unit automatically convertible into 1,924,199 Hicking Pentecost ordinary shares of 50p upon completion of the acquisition of the threads division of Belding Hemicway Company, Inc.

Hicking Pentecost is a leading manufacturer of specialist threads for non-clothing applications with manufacturing facilities located worldwide. Hicking Pentecost also manufactures knitwear products and industrial products. Copies of the prospectus dated 12 December 1996 may be obtained during normal business hours from the Company's Announcements Office, London Stock Exchange, Old Broad Street, London EC2N 1HP up to and including Tuesday, 17 December 1996 for collection only, and until Monday, 6 January 1997 (Saturdays and public holidays excepted) from Hicking Pentecost PLC, 19 Stannwell Road, Penarth, Vale of Glamorgan, CF64 2EZ and from Exchange Registrars Limited, 18 Park Place, Cardiff CF1 3PD.

Sponsor to the issue:
Baring Brothers International Limited
60 London Wall
London EC2M 5TO

Stockbrokers to the issue:
Credit Lyonnais Securities
Broadwalk House, 5 Appold Street
London EC2A 2DA

13 December 1996



COMMENT

Yorkshire Water and British Gas got a bad name not because of being privatised but because they are monopoly utilities with a public duty who failed to look after their customers'

A privatisation bandwagon not worth jumping on

When British Airways was buying a 25 per cent stake in Qantas it was greeted at the airport by a protester holding aloft a placard which read "Piss off Poms."

Had it been Michael Asherton, walking through baggage reclaim and not Sir Colin Marshall, the message, no doubt, would have been expressed in less measured tones.

But never mind. You get the picture. BA might be a great outfit over here but to the average ocker, Sir Colin is not fit to be Denis Lillie's boot straps. And why is this? Because the great British privatisation story, of which BA is a part, has been sullied and undermined by the antics of a few rogue utilities who have brought disgrace to the name of private enterprise.

So what is the answer? Write to a few dozen chief execs, hold a breakfast in a swanky London hotel and launch a campaign to promote the virtues of privatisation at home and abroad. After all, there's gold in them thar hills if only we can persuade the rest of the world that privatisation is not just about saving on bath water and pigs called Cedric.

It is easy to see why companies such as BA and Unipart should complain at being tarred with the same brush. However, it is also easy to see the pitfalls in such a campaign, starting with the decision to launch it into the white heat of the longest General Election campaign on record.

That has effectively prevented Sir Colin

and his steering committee from doing anything meaningful for six months or until such time as polling day is over and done with.

But even when they do know who is in power, what are they going to do to rehabilitate the image of our privatised companies in overseas markets?

The first problem is the danger of extrapolating from the specific to the general and back again. Yorkshire Water and British Gas got a bad name not because of being privatised but because they are monopoly utilities with a public duty who failed to look after their customers. BA, whatever the man at the Sydney Cricket Ground may think, has long been perceived as a fabulous airline not just because privatisation has freed it from the dead hand of state control but because it looks after its passengers.

This leads on to the second problem which is whether successful privatised companies really want to be associated with some of their brethren with a less impressive track record. Would National Power and PowerGen, both of whom have done well in overseas markets, really like finding themselves bracketed with Thames Water, for instance, whose foreign diversification has proved an unmitigated disaster?

The danger is that this campaign, far from accentuating the positive, will end up applying the tar even more liberally. That,

together with domestic political considerations, perhaps explains why there were so many oo shows at breakfast yesterday - 74 were invited, 45 turned up.

As Groucho Marx once observed: never join any club that would have you as a member.

A change of name has done nothing to redress the narcotic effect of detailed international trade negotiations. The World Trade Organisation, which took over a year ago from the General Agreement on Tariffs and Trade and has held its annual meeting in Singapore this week, has been as ditchwater-dull as its predecessor. But it has, amazingly, come up with an eye-opening agreement to crown its first year of existence.

This is the deal to abolish tariffs on \$600bn-worth of information technology products by the year 2000, in the highest ever free trade agreement for a single industry. By tonight countries accounting for 85 per cent of trade in goods from computer monitors to software should have signed up.

It is hard to exaggerate how important this is. The IT industries are already expanding by around 15 per cent a year, making them the fastest-growing sector virtually everywhere in the world. The progressive cuts in tariffs during the next four years will reduce prices and boost demand, generating more output and jobs around the world.

It was successive rounds of free trade pacts that delivered the golden age of growth in the 1950s and 1960s. When the momentum of liberalisation faltered, so did those widespread gains in prosperity. This week's new deal could restore that economic magic in the next century. When you think that almost every household appliance and even some greetings cards (the kind that sing when you open them) contain a microchip already, the possible spillover effects of falling prices of the relevant technologies are mind-boggling.

It is simply not possible to forecast what will happen to European economies after monetary union, which is why economists have taken instead to publishing imaginary scenarios, ranging from the Panglossian to the darkly apocalyptic.

Most of the printed predictions emerging from the City err on the optimistic side, which is not surprising, since investment banks are more interested in building market share in the new euro capital markets than in frightening off potential clients with dire warnings that it will all fall apart.

Yesterday the Centre for the Study of Financial Innovation, a think tank funded by 30 banks and companies, the Bank of England and the Treasury, published an addendum to all that.

Calling its pamphlet "The Crash of 2003," the CSFI suggests that France rather than Italy will be the weak link in the chain.

It will be forced out of emu within a year of EMU's full implementation in 2002.

With late 1990s growth in the world economy running out of steam, the French economy will come under heavy pressure in 2002 as the presidential election approaches with no easing of unemployment. But at the same time the stability pact, which is meant to keep deficits under control, will put a squeeze on the budget.

President Chirac will propose reform of the pact, but Germany will take fright at the thought of bailing out weaker emu members, so confidence in the euro will slump. Rescue plans for emu fall apart, France reverts to the franc and soon after Italy, Spain and Ireland quit. Written as a report in 2003 to Prime Minister Blair on the break up of emu, it makes plausible reading.

Scenarios are of course just that and who can tell whether this one will prove to be total nonsense or not. But the author, David Lascelles, has detected a scepticism that is abundantly clear to anyone listens to what is being said around the City.

This is not a matter of raw Tory europhobia. After all, at senior levels the City is probably the most cosmopolitan place in Europe.

But many people really do have serious practical doubts about the emu project because it is so politically driven and in danger of losing touch with business, employment and financial market reality.

Blow to Tyneside as Siemens rules out bid for Parsons

Chris Godsmark
Munich

Siemens, the German industrial giant, yesterday dealt a double blow to job hopes on Tyneside. It emerged that Siemens has ruled out any possibility of bidding for the Parsons steam turbine business put up for sale by Rolls-Royce, and confirmed recent reports that it was delaying plans to expand its high profile computer chip plant.

The news about Parsons is likely to sting 2,000 employees and unions who had believed Siemens would buy the company. Protective redundancy notices were served on the workers' last month and also on a further 500 staff in Rolls-Royce's large boiler-making factory at Derby, which is also earmarked for sale or possible closure. The group has already pulled aside £70m to cover redundancy costs out of total write-offs for the two plants of some £250m.

Parsons is one of the most famous names in the heavy engineering industry, and is best known for developing the first steam turbine technology late last century. In recent weeks John Rose, chief executive of Rolls-Royce, is understood to have suggested privately that

several companies were undertaking a due diligence review of Parsons with the possibility that there could be competition to buy the plant.

However, a source close to Siemens said yesterday: "This business is covered in red ink. They may sell it in pieces, but I don't see much chance of selling it as a whole. There's just too much overcapacity in the industry. People are closing factories rather than buying them, and small players like Parsons are being squeezed out."

Unions have been lobbying the Rolls-Royce board to keep the factory open but even senior managers based at the site have been kept at a distance from confidential discussions with interested parties. However, Chris Avery, an aerospace analyst with the French banking group Paribas, suggested the news from Siemens was not necessarily terminal for Parsons.

He said: "I still believe that there are several other companies which are currently very interested in Parsons. And the lack of interest from Siemens doesn't worry me too much." The most likely bidders for all or part of the company are thought to be industrial power businesses from the Far East looking to gain a foothold in Europe, although a European

group could buy the factory as a defensive move to block a potential Asian bidder. Meanwhile, Siemens said it was delaying development of its high profile computer chip plant due to the world-wide collapse in semiconductor prices.

The £1.1bn investment was originally planned to create 1,800 jobs with work due to be completed in two phases. However, almost as soon as builders arrived on the site, Siemens put its entire semiconductor operations under review as the price of some computer chips crashed by 30 per cent. In the meantime, Siemens' chief executive, said yesterday that the original timetable for the second phase of the north Tyneside site, which had always depended on future market conditions, had now slipped. He explained: "I don't know when we are going to start the next phase. The semiconductor market is really down at the moment so it does not make sense to build up further capacity."

The company refused to be drawn on a likely start date though one source suggested it could be delayed beyond 2000 and could even be pushed back as far as 10 years from the start of work on the first stage of the factory.



Good cheer: (from left) Andrew Thomas, chairman, Alan Rothwell, finance director, and David Greenall, managing director of the group and hotels going Greenall, which announced a 48 per cent jump in pre-tax profits in the year to September after an 11 month contribution from the recent

acquisition Boddington. The group failed to produce the sale of some of its hotels market had hoped for, however, and the shares closed 10.5p lower at 591.5p. Greenall has indicated that it plans to focus on conference hotels with leisure facilities. Investment Column, page 25

DuPont in £2bn outsourcing deal

Roger Trapp

DuPont, the global chemicals and energy company, plans to outsource its information technology operations to Computer Sciences Corporation and Andersen Consulting in what is believed to be the biggest deal of its kind, worth \$4bn (£2.4bn) over 10 years.

Under the arrangement, 2,600 of the Delaware-based company's staff will be transferred to CSC, with another 500 going to Andersen. About 1,100 information systems employees, including a management team that will carry out such activities as the development and maintenance of corporate IT standards, will remain with DuPont.

Cinda A. Hallman, vice-president of DuPont Systems and chief information officer, said the move would enable the company "to work together with the 'best of the best' in the IT industry" - strengthening and

building on their expertise to meet the needs of the environment in which it competes. DuPont expects the alliance will improve the range and speed of its services to customers as well as improve cost-effectiveness through "improved business processes, streamlined systems and increased productivity".

Although the deal is understood to be the first of its kind in the chemical industry, it follows similar arrangements in other sectors and in the public sector. Anderson, CSC and EDS, another US organisation founded by former presidential hopeful Ross Perot and until recently part of General Motors, are the key players. Earlier this year, for instance, CSC and Andersen linked with other organisations to provide IT services to the investment bank JP Morgan, while EDS has agreed a similar arrangement with the Inland Revenue.

Europe and US press Japan on spirits market

Tom Stevenson
City Editor

The European Union and the US turned up the heat on Japan yesterday in their bid to open up its lucrative spirits market. As part of an agreement forged at the World Trade Organisation meeting in Singapore, the two sides plan to accelerate the elimination of tariffs on exports of European whisky and gin.

Although the figures involved are relatively small - the elimination of tariffs will save European producers only about \$35m (£22m) a year - the move has been seen as a symbolic gesture in countries with whom the EU and US are currently negotiating tariff reductions.

Murray Locke, a spokesman

for Guinness, which exports Johnnie Walker whisky as well as Gordon's and Tanqueray gin, said: "Although the current tariffs are not as high as we see elsewhere in the world, this move can only help our competitive position." He said the move was aimed particularly at Japan, which discriminates against whisky and gin in favour of shochu, its home-grown spirit, but also other countries including Chile.

The agreement means tariffs on brown spirits - whisky, brandy and rum - will be eliminated by 2000, compared with a previous agreement to do so by 2004. It also includes white spirits such as gin and vodka for the fast time - those tariffs will be wiped out over five years.

Currently the US import tariff on cognac is about 50 cents a gallon and 20 cents a gallon for whisky. That works out at only a few cents a bottle so it would be wrong to overestimate the financial importance of the deal, Mr Locke said.

The deal is also being viewed as a quid pro quo for the agreement announced earlier in the week to wipe out tariffs on computer exports. That provides a big boost to US companies, while the liquor tariff agreement principally helps European companies. Only two of the world's 10 largest spirits companies are American - Brown Forman, which makes Jack Daniels whisky and Southern Comfort, and American Brands, which produces Jim Beam bourbon.

Treasury bows on elderly care

Ne Ciarraí

The Treasury bowed yesterday to sustained lobbying from the insurance industry and agreed that the selling of long-term care products to elderly people will be fully regulated under the Financial Services Act.

Angela Knight, the Treasury Minister, said the initiative was being taken in order to protect consumers and give them confidence to invest. Research by Munich Re, a leading insurer, suggests the market for long-term care products could be worth up to £10bn a year. Sales of home-income plans, where homeowners surrender part of the equity in their homes in return for a guaranteed income, could be worth £100bn.

The Treasury's decision reverses an earlier view by Stephen Dorrell, the Health Minister. In a consultation document earlier this year, Mr Dorrell argued, against regulation on the grounds that this would stifle competition and innovation.

Garry Heath, chief executive of the IFA Association, the trade body for financial advisers, which had argued in favour of tight regulation, said: "I am delighted. These products involve huge amounts of money changing hands. We will be pushing for advisers to be properly trained to advise on these products."

Football float for Birmingham

Patrick Toohar

Birmingham City, the First Division football club jointly owned by soft porn publisher David Sullivan, is planning a stock market flotation in the New Year despite warnings that only a few clubs will be able to cash in the game's revitalised popularity.

The club, which has never won a major honour in its 121-year history, is looking to raise £5m on the junior Alternative Investment Market to further develop its St. Andrews ground and strengthen manager Trevor Francis's squad.

News of Birmingham's flotation plans follows hard on the

heels of Premiership club Southampton's £10m reverse takeover of a quoted retirement home group and further details of Sunderland's imminent £47.4m stock market debut.

Separately, the Japanese investment bank Nomura yesterday issued warrants on a new football index to track the share prices of quoted Premiership clubs. The warrants will give investors geared exposure to what it calls "this emerging sub-sector of the leisure industry".

A total of eight football clubs, including Manchester United, which this entered the FTSE index of Britain's top 250 firms, currently have a Stock Ex-

change listing, either on the main market or on AIM. Others to have signalled their intention to float include Newcastle, West Bromwich Albion and even Carlisle.

"Football is in vogue for a good reason," says Julian Easthope, leisure analyst at Swiss investment bank UBS. "The game in the UK has been under-capitalised and even the amount raised for football clubs so far is small, given it is the biggest sport in Britain."

Investors are banking on what television mogul Greg Dyke recently described as the "untold riches" that await top clubs from the introduction of

pay-per-view television as early as next season. However, there are growing concerns that only the top Premiership teams will emerge as winners.

"The big clubs will always do extremely well as media earnings will go to the most successful clubs," said Mr Easthope. "Things get more speculative at the bottom end of the Premiership and in the First Division. It just depends on what risk profile you want in your portfolio."

Top clubs are pushing for an early introduction of pay-per-view to coincide with the next year's planned launch of digital television.

BUY NOW FOR CHRISTMAS

Offers End **14th Dec**

Sales Lines Open 9am - 8pm

P120 In Stock!

Guaranteed Delivery **In 2 Days**

PC Price Crash!

£938.83 inc. VAT

Unbeatable Price!

£799 +VAT

Take a look at this superb Intel Pentium P120 based multimedia PC system. In terms of quality, performance, specification and ease of use, it has to be the best P120 deal around. Time consistently offers the best multimedia deals in the UK and our systems continue to win many Independent awards. Our P120+ system was voted Best Buy in the current issue of Computer Shopper magazine.

P120 Home Multimedia PC

- Intel Pentium Processor
- 16MB RAM
- Super VGA 256K 16 BIT VGA screen
- 100MB (1.44MB) formatted HD hard disk
- 16-bit sound board, 16-bit real time clock and CMOS
- Fast 64-bit integrated graphics (uses 1MB RAM) suitable for 3D rendering
- Play & play multimedia with real speed 7 allows up to 16MB for increased resolution
- Enhanced parallel, PS/2 mouse and 2 high speed serial ports
- 3.5" 1.44MB floppy drive, 105 Windows 95 compatible and secure
- Orange desktop with 7 drive bays for plenty of expansion
- One year warranty with full hardware support available to 3 or 5 years
- FREE 14.4 KBIT modem/terminal converter your PC into a powerful Fax/modem and allows you to link to the Internet (printed offer). Product code 200-30-102

P120 High Performance Model

- Also includes 256K cache and MP3-1 locally 128.38 inc. VAT extra
- Product Code 200-30-104

and our Ultimate P166+ model was the fastest machine tested by Personal Computer World magazine.

This P120 system comes complete with a FREE Fax/Data/Internet modem with the first 500 orders. If you are considering a PC for Christmas, choose this great system at an incredible £799 +VAT, right now! and we will deliver within two working days.

Included Software Bundle

- Microsoft Windows 95 with manual and CD
- Lotus 1-2-3 spreadsheet, Approach DB database, Graphical & SmartDraw graphics
- 100+ pre-installed software including Paintbrush, desktop publisher, desktop drawing pack, money personal finance and Hypertext utilities package
- Pre-installed 2000 16-bit sound cards and speakers
- Shoppers guide including Decca, Pagine, placed and more

Processor Performance

Relative processor performance based on the P120 (100%)

P120 P120+ P166+ P166+ Ultimate

P120 Home PC

- Intel 120MHz Pentium processor
- 16MB RAM
- 100MB Hard Disk
- Full Multimedia
- 64-bit Graphics
- Massive Software Bundle
- FREE Fax/Internet Modem
- Guaranteed Delivery in 2 Days

Other Multimedia Models In Stock (Delivery in 3 Days)

P150+ Best Buy

As P120 model plus 16MB cache, 16MB RAM, 256K cache and MP3-1 locally 128.38 inc. VAT extra

Product code 200-30-101

P150+ Performance

As P120 model plus 16MB cache, 16MB RAM, 256K cache, MP3-1 locally 128.38 inc. VAT extra

Product code 200-30-102

P166+ Ultimate

As P120 model plus 16MB cache, 16MB RAM, 256K cache, MP3-1 locally 128.38 inc. VAT extra

Product code 200-30-104

Options

- Lowcost 1000 Colour printer (not included)
- FAST 14.4Kbps modem (not included)
- PC joystick and 5 CD-ROM drives including Windows 95 and 100MB hard disk (not included)
- 300Kbps modem (not included)

TIME 01282 777 111

Please telephone, fax or write to: Time Computers, 1000 High Street, London W11 1AB. Please include return postage charge when returning. 24-hour helpline 01282 777 111. Please note: all prices are subject to change, availability, and to our conditions of sale (copies available on request). Delivery guaranteed within 2 working days of receipt of payment on the P120 model. Other systems shown are subject to change without notice. Delivery guaranteed within 2 working days of receipt of payment on the P120 model. Please note: all prices are subject to change, availability, and to our conditions of sale (copies available on request). Delivery guaranteed within 2 working days of receipt of payment on the P120 model. Please note: all prices are subject to change, availability, and to our conditions of sale (copies available on request). Delivery guaranteed within 2 working days of receipt of payment on the P120 model.

market report / shares

Data Bank

FTSE 100
3990.7 +8.2

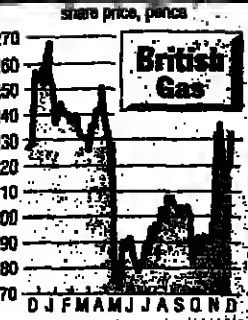
FTSE 250
4379.5 +12.7

FTSE 350
1983.1 +4.4

SEAQ VOLUME
693.7m shares,
31.790 bargains

Gifts Index
93.73 -0.35

Share spotlight



British Gas makes a sudden surge amid bid stories

Taking Stock

British Gas may be Britain's most unpopular utility but it has suddenly discovered a few friends in the stock market.

Their attention fuelled by a 14.5p gain to 233p, the best performance by any blue chip takeover story went the rounds, so did suggestions that the break-up value is nearer 300p a share.

What was clearly apparent was that the market was short of Gas shares and relatively modest demand created an exaggerated advance.

Still Gas has been under close scrutiny since Shell felt obliged to deny long-running rumours it intended to bid. British Petroleum, off 9p at 658.5p, is the latest predator candidate.

In February, just over 10 years after privatisation, Gas's institutional shareholders and army of 1.5 million Sids will vote on the plan to split the

group into two - Ceotrica and BG plc. It looks as though some institutions feel they are underweight ahead of the demerger and are quietly trying to strengthen their position in an unwilling market.

Many believe the bid - if it does appear - will not materialise until after the break-up, which will leave one side supplying 20 million domestic customers and running the Morecambe Bay gas field and the other operating the pipeline network and the rest of the gas exploration and production business.

The gas giant also, at last, seems to be getting in control of its hugely expensive take-or-pay North Sea gas deals. The first settlement was with BP, costing £295m. Other agreements are expected in the next few months.

Shell put on 5p to 978p ahead of analysts' meetings today in London and in New

York on Monday.

The rest of the market struggled. Early gains were cut back and Footsie had to be content with an 8.2-point advance to 3990.7 after at one time enjoying a 27.4 climb.

Orange, the mobile phone group, dialled the right number, gaining 9.5p to 178.5p on the likelihood of improved revenue as it renegotiates its arrangements with BT Cable and Wireless, another beneficiary through Mercury, put on 4p to 452p.

Glass Wellcome managed a 6p gain to 944p despite sell advice from HSBC James Capel. The stockbroker has, it seems, cut its profit expec-

MARKET REPORT

DEREK PAIN

stock market reporter of the year

tations because of sterling's strength and a modest slip in margins. Capel is said to have reduced from £3.1bn to £2.93bn for this year and from £3.25bn to £3.08bn for next. ML Laboratories was little changed at 202.5p after switching from the dying USM to full listing.

Hays and Mercury Asset Management "celebrated" their promotion to the Footsie index with falls. With NatWest Securities deciding the time is ripe to remove Hays from its buy list after more than three years, the shares of the business support group fell 3.5p to 534.5p. The investment house now re-

gards Hays as no more than a hold. Fund manager MAM lost 4p to 1,231.5p. Biocompatibles International, elevated to the 250 index, jumped 37.5p to 742.5p.

Associated British Foods, a narrow market, improved 18.5p to 459p, a peak. A flurry of stories went the rounds including suggestions the family controlled giant was thinking of paying a special dividend. Recently its Australian offshoot announced a special payment and the feeling is the parent will follow its example.

Transport Development Group advanced 10p to 178.5p. Merrill Lynch undertook a 9.8 per cent (14.5 million shares) buyback at 180p.

Stakis, the casino and hotel group, rose 2p to 91p; the 22.2 million rump of its rights issue was placed at 85.5p.

Kier, the builder, made a firm debut, hitting 184.5p from its 170p placing.

British Motair, the textile group, fell 18.5p to 100p on its profits warning and Haggerston Brick crumbled 14p to 97.5p on its 46.5 per cent profit setback.

Wiggins, the property group, rose 0.5p to 8p. It placed 14.5 million shares with Compania Financiera La Granja, a company associated with Maurice Smulders, a property developer. La Granja now has 4.26 per cent.

CPL Aromas gained 16.5p to 186.5p on suggestions a hovering line of stock had been cleared. The shares were 507p in the spring.

Ideal Hardware fell 10p to 642.5p after four directors sold 8.44 per cent (1.7 million) at 630p.

Great Western Resources, an oil and gas group, added 2p to 21.5p as Forceenergy, a US group, bid equal to 23p cash a share.

John Ritblat, head of British Land, is increasing his holding in Artesian Estates by selling properties at Luton and Norwood in exchange for shares, lifting his stake to 26.47 per cent. The shares held at 68.5p; the Ritblat deal was fixed at 70p.

Alcoholic Beverages

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Banks, Merchant

Company	Price	Change
Barclays Bank	10.00	+0.10
Barclays Bank	10.00	+0.10
Barclays Bank	10.00	+0.10

Banks, Retail

Company	Price	Change
Barclays Bank	10.00	+0.10
Barclays Bank	10.00	+0.10
Barclays Bank	10.00	+0.10

Breweries, Pubs & Rest

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Building/Construction

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Chemicals

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Distributors

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Electricity

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Electronics

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Food Manufacturers

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Gas Distribution

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Health Care

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Household Goods

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Investment Trusts

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Life Assurance

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Media

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Pharmaceuticals

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Printing & Paper

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Property

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Support Services

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Telecommunications

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Textiles & Apparel

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Tobacco

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Transport

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Water

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Rights Issues

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Recent Issues

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Where on earth am I

Magellan GPS 2000 Directional Finder £199.99

Tandy

You've got questions. We've got answers.

TO CONTACT YOUR REQUEST TRAVEL STALL CALL FREEPHONE 0500 300666

Government Securities

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Index-linked

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Updated

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Weekend

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Longs

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: 1. Ex rights x 10-dividend x 10. 2. All UK listed securities. Market is suspended on Friday. Paid on 1st Feb. Source: FT Information.

The Independent Index

The index shows you to access real-time share prices by phone from Seag. Simply dial 091 233 333, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 091 233 333 followed by one of the two-digit codes below.

Anyone with a tone-dial telephone can use this service. For a detailed description of the Independent Index, including its portfolio facility, phone 091 233 333.

For assistance, call our helpline 071 675 4375 (9am-5pm).

Call cost 60p per minute (daytime), 45p per minute at all other times. Call charges include.

Market leaders: Top 20 volumes

Company	Volume	Company	Volume
Heavenly Breweries	10.00	Heavenly Breweries	10.00
Heavenly Breweries	10.00	Heavenly Breweries	10.00
Heavenly Breweries	10.00	Heavenly Breweries	10.00

FTSE 100 index hour by hour

Time	Index	Time	Index
09.00	3990.7	12.00	4004.1
10.00	3990.7	13.00	4004.1
11.00	3990.7	14.00	4004.1

Retailers, Food

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Retailers, General

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Support Services

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Telecommunications

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Textiles & Apparel

Company	Price	Change
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10
Heavenly Breweries	10.00	+0.10

Tobacco

Company	Price	Change
Heavenly Breweries	10.00	+

Greenalls gathers a potent portfolio

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Greenalls has not put a foot wrong since the Beer Orders of 1989 convinced it that it made more sense to jump on the retail and leisure bandwagon than continue slugging it out with the likes of Bass and Scottish & Newcastle in a declining, over-supplied brewing market.

The acquisition of Devenish, which had reached the same conclusion itself, was followed a year ago by the £600m purchase of Boddington, another brewer whose well-known beer brand is now part of the Whitbread stable.

Full-year figures yesterday for the 12 months to September confirmed that the deal is heading in nicely and the promised savings of £18m a year are on track. In the short term the return on that investment might not be as exciting as some of Greenalls' smaller rivals can claim from their developments but as a long-term strategic move the deal made abundant sense.

Boddington was such a sizeable acquisition, even for a giant pub group like Greenalls, that the company chose to report two sets of figures. Excluding the newly acquired pubs, underlying profits rose a steady 11 per cent to £111.3m, earnings per share were 10 per cent better at 38.5p and the full-year dividend rose 9 per cent to 15.4p.

Adding in the £47.1m of operating profit Boddington made in the 11 months since acquisition, reported pre-tax profits emerged at £148.7m, a 48 per cent increase.

Greenalls has established itself as the pre-eminent food and drink retailer outside the big integrated brewing and pub groups. From a small, family-run operation at the end of the 1980s it has flourished with FTSE 100 membership this year, a size which has given it considerable clout within the industry. When current beer supply contracts with Bass and Whitbread run out in a couple of years you can bet Scottish Courage will want a slice of the action and buying terms can only improve.

Elsewhere, the company is becoming a serious contender in the buoyant hotel, fitness and leisure market, it runs a portfolio of more than 1,100 tenanted pubs and is one of the country's biggest drinks wholesalers. It is an enviable portfolio.

The disadvantage of Greenalls' size is that it is finding it difficult to grow at anything other than a solid, respectable rate. Forecasts for the current year of £166.5m pre-tax profits and £181m next time mean earnings per share are growing at rather less than 10 per cent a year. In the middle of a strong consumer recovery, that is hardly breathtaking progress and the

current market rating is as good as can be expected in the short run. The shares, which closed 10.5p lower at 591.5p, are worth holding, but only on a longer-term view.

DMGT invests for profits

The owners of the struggling Express Newspapers might learn a lesson or two from the record of the media empire owned by Daily Mail & General Trust. To make money, you have to invest money.

That maxim appears to be behind DMGT's excellent results in the year to 29 September, when pre-tax profits climbed a healthy 28 per cent to £85.5m, on revenues ahead to £1bn, a rise of 15 per cent.

The crown jewels are the *Daily Mail* and the *Mail on Sunday*. Both enjoyed circulation gains, with the daily ahead year-on-year by 13 per cent and the Sunday up 5 per cent. Regional newspapers, grouped under the Northcliffe subsidiary, also performed strongly, posting their highest profit.

The group has not been shy about investing for the future, and shareholders have had to put up with quite pedestrian operating margins as a result. This past year, the margin has been about 7 per cent, which will probably increase to about 10 per cent in 1997 well short of the traditional 15 per cent enjoyed by successful newspapers.

If hardy matters at this stage, given the excellent growth in profits and the aggressive dividend policy that has been in place since 1989. But newspapers are not the whole story. DMGT has made calculated, if contained, investments in a range of media: Cable (Channel One), radio (in Sweden and Australia), electronic publishing and Internet sites. The acquisition and investment strategy appears to be well-rooted in sound principles.

In the medium term, DMGT's prospects look impressive, as it begins to reap the rewards of its aggressive investment policy. Moderating prices for newspaper, down by some 12 per cent since the middle of the year, will either drop straight to the bottom line or be used to enhance the titles yet further. In time, DMGT will probably reward its shareholders with improving mar-

gins, which suggest an even rosier outlook for pre-tax profits. Combined with a relatively light tax rate (thanks to capital allowances), the effect will be to highlight the degree to which the shares are now undervalued.

Expected pre-tax profits of about £120m in the year to September 1997 (79.5p a share), rising to £145m in 1998 (96p) put the shares on a forward multiple of just 1.5. Good value.

All go at Wainhomes

It has been an eventful year at Wainhomes, the regional householder whose shares were floated at 170p two years ago. The northern subsidiary became embroiled in a £2m fraud inquiry which saw chief executive Ronald Smith sacked after losing the board's confidence in his ability to lead the company.

Mr Smith, who was not involved in the fraud inquiry, is claiming £450,000 for wrongful dismissal and an agreement is expected to be settled with him in the next month. Wainhomes is also pursuing a civil action against contractors. While all this was going on rival householder Bellway took advantage of Wainhomes' weakened share price to pick up a 4.8 per cent stake at 75p-80p a share, against last night's closing price of 103.5p, up 3p.

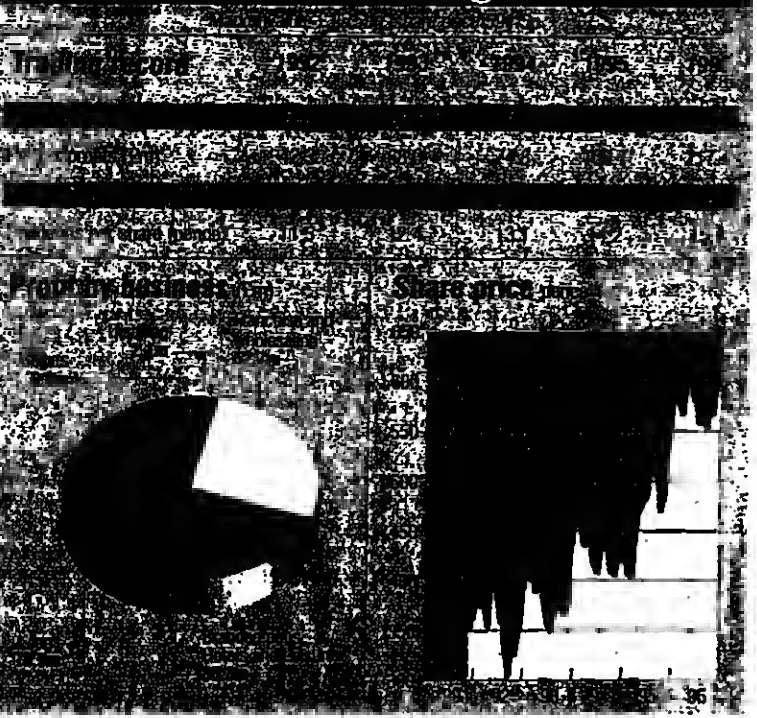
Unearthing the irregularities prompted Wainhomes to reshape its business, the full benefits of which have yet to come through. In the six months to September, group pre-tax profits fell to £1.75m from £4.25m a year ago on sales of £45.1m (£48.2m). The 1.5p dividend was maintained, covered by earnings of 1.9p (4.5p).

But dependence on the sluggish North-west of England market was reduced from 57 to 50 per cent after Wainhomes paid £24.5m for 2,045 plots in southern England. The average house price rose to £82,582 from £76,123, reflecting larger units sold.

The number of houses sold dropped to 546 (633) as Wainhomes deliberately scaled down its marketing efforts, but reservations in the first 10 weeks since 30 September are "substantially higher" than in the same period last year.

NatWest raised its full-year forecast by £200,000 to £6.5m, implying a price/earnings ratio of 15. Cheap if Bill Ainsworth, the new chief executive, delivers on his promise to get return on capital up from 4.4 per cent to 10 per cent within 18 months just by managing the business better.

Greenalls: at a glance



Hydro to boost output south of the border

Michael Harrison

Hydro-Electric, the Scottish power producer, yesterday unveiled plans for further investment in generating capacity south of the border while also holding out the prospect of a windfall payout to shareholders.

The group is negotiating to buy Norway's 50 per cent stake in the Keadby power station in Scunthorpe in a deal which is likely to cost it around £240m-£250m.

Hydro-Electric already owns the other half of the station and has been selected as preferred bidder for the Norwest stake which is being disposed of by United Utilities, the group formed out of North West Water's acquisition of the regional electricity company.

The Keadby deal will increase the amount of electricity Hydro is generating for England and Wales to 2,000 megawatts. By 1999 when the Seabank gas-fired plant in Bristol is on stream, more than half of Hydro's output will be sold in England and Wales.

The Keadby acquisition, together with payment for Seabank, which is jointly owned with British Gas, will raise Hydro's gearing to 65 per cent. But its chief executive Roger Young, nevertheless estimated that Hydro will still have the capacity to return about £200m of its capital to shareholders. This is more than enough to fund a buyback of 10 per cent of its shares. Alternatively, Hydro could reward shareholders with a 50p special dividend.

Mr Young said that the company would wait until the end of the financial year to decide whether to seek further investment opportunities or return cash to shareholders. Another area it is actively looking at is setting up deals to sell electricity direct to domestic customers once the market in England and Wales is opened up in 1998.

Hydro is examining so-called "affinity partnerships" whereby it would supply the electricity for sale through a well known brand such as a supermarket chain or bank. "We would like to enter the domestic market and I am beginning to think this is the best means of doing so," said Mr Young.



Roger Young: Still expects to return £200m to investors

He was speaking as Hydro unveiled flat half-year profits of £61.3m, due to the abnormally low level of rainfall in the six

months to the end of September. This forced Hydro to buy in extra quantities of coal to meet demand from its Scottish customers. Without the extra coal burn, profits would have been £6m higher than last year's £51.7m.

The strong underlying performance of the business, driven by further development of its interests south of the border, encouraged Hydro to increase its payout at the interim stage by 11 per cent to 5.3p. Previously it had set a target of growing dividends by 6 per cent in real terms.

The Keadby and Seabank power stations generate 1,400 megawatts of electricity and form the central part of Hydro's expansion plans outside Scotland.

It had planned to enter the retail power market in a big way by buying British Gas's North of England and Scottish supply business but the deal was scrapped after BG decided it could not negotiate this deal and demerge its pipeline and supply businesses at the same time.

Budget changes 'mean rethink on investment'

London Electricity, which is in talks to merge its supply business with that of Northern Electric to fend off hostile US bidders, warned yesterday that it was reviewing its long-term investment plans following changes in capital allowances announced in last month's Budget, writes Michael Harrison.

Sir Bob Reid, London's chairman, said that the proposed tax changes had forced it to re-examine spending on programmes such as its tunnelling network underneath the capital.

In the first half of the year London's capital expenditure reached nearly £60m, of which £49m was spent on replacing and modernising its infrastructure.

It has a further £200m committed to a portfolio of projects involving the airports group BAA, the Channel Tunnel rail link and the Docklands Light Railway.

But investment in assets with

a long life has been thrown into confusion following the Chancellor's decision to increase the tax take on the utilities by reducing the proportion of such spending which can be offset against tax from 25 per cent to 6 per cent a year.

London remained tight-lipped on the alliance with Northern, saying it could not comment because it was deemed by the Takeover Panel to have been in an offer period since 20 November, after it emerged that the US utility Entergy was interested in a possible bid.

A tie-up with Northern on the supply side would be a way of helping the two companies to retain their independence. Northern, which is on the receiving end of a £782m bid from another US utility, CalEnergy, disclosed in its final defence document earlier this week that the joint venture would achieve annual cost savings rising to more than £28m, evenly split.

IN BRIEF

• The Securities and Investments Board (SIB), the City regulator, issued rules which require firms to meet a higher standard for the use of derivatives in takeover situations than is required under criminal law. The regulations follow a consultation period that began in June after Swiss Bank Corporation used derivatives to build stakes in Northern Electric when advising Trafalgar House on a takeover bid. For instance, the SIB said firms should ensure they do not buy or sell an indirect stake where, as a result of inside information, it could not properly have bought or sold a direct stake on the open market.

• M&G, the fund management firm, plans to fight the escalation in City salaries by changing its pay structure so that its staff's compensation packages are more closely linked to the performance of the company and the individual, said David Morgan, group managing director. The firm reported a 16 per cent rise in full year pre-tax profits, before exceptional, of £72.1m yesterday. It increased its dividend by 13 per cent to 36p.

• Den Danske Bank, a Danish bank, and one of its former traders in London, have been fined by the Securities and Futures Authority, the City regulator, for events dating back to 1994. Ole Rasmussen, a trader in Den Danske's private banking division, deliberately flouted limits on authorised dealings for private clients, the SFA said. The regulator suspended his registration in July 1994 and fined him £5,000 and ordered him to pay costs of £4,000. The bank settled with the SFA after admitting it had failed, in certain aspects, to satisfy the SFA's requirements on internal controls. The SFA fined Den Danske £15,000 and the bank agreed to pay a contribution towards the SFA's costs of £5,000.

• Airbus Industrie expects orders for about 300 planes worth \$20bn (£12bn) by the end of 1996 compared with 106 orders worth \$7.7bn in 1995. John Leahy, senior vice-president for commercial sales at the European airplane maker, said he expected a similar order level in 1997.

• Mercury Asset Management and Hays are to be included in the FTSE 100 index from next Monday, replacing Courtaulds and Pilkington, which fall back to the FTSE 250 index.

• BAA said its seven UK airports handled 7.1 million passengers in November, an increase of 9.1 per cent on the same month last year. This represents the largest monthly increase since March 1996 with an underlying growth of 8.3 per cent after adjusting for the effects of the Channel Tunnel closure. An estimated 50,000 additional passengers flew from BAA's airports due to the cancellation of tunnel services.

Rights issue to ward off receivers at Wickes

Patrick Tocher

Wickes, the do-it-yourself retailer whose former bosses are being investigated for fraud, yesterday warned shareholders that the company faced receivership unless they backed a large refinancing package.

In a letter to shareholders, Wickes' chairman Michael von Brentano said: "Unless the resolutions are approved by shareholders, the group is likely to be unable to continue to trade."

An extraordinary general meeting on 6 January 1997 will vote on the refinancing proposals, the centrepieces of which are a deeply-discounted rights issue to raise £52m, new banking facilities of £52m and a £100m capital reduction.

Under the terms of the rights issue, which is fully underwritten by SBC Warburg, investors are being offered one new share at the equivalent price of 15p for every share held. Trading in Wickes' shares was suspended at 6p in June after the

discovery that past profits had been overstated by £51m led to the resignation of £1m-a-year chairman Henry Sweetbarn.

"The dilution is pretty horrible," said Nick Bubb, retail analyst at Mees Pierson. "It does reduce my estimate of Wickes' value from about 50p to 25p."

But Bill Hoskins, Wickes' finance director, defended the rights issue terms. "It became clear during September that there would be a larger hole in the balance sheet, therefore it required a bigger than normal discount to get the rights issue away," he said.

Analysts believe Wickes is now open to an estimated £200m takeover by the likes of building materials group RMC or rival DIY retailer B&Q, owned by Kingfisher. However, Wickes played down talk of a bid. "We've had nothing further than expressions of interest," said Bill Grimsey, Wickes' chief executive.

The accounting debacle over supplier rebates has forced Wickes to restate its accounts

for 1995. These now show a loss before tax of £279.3m, £21.3m more than originally reported.

Wickes said it expected to make a loss before tax in 1996 of not more than £56m, with a deficit of £52.7m pounds reported for the nine months to September 28. No interim dividend will be paid in 1996 or 1997, though a final pay-out is possible in 1997.

As expected, Wickes has put its loss-making European businesses in France, Belgium and Holland up for sale to concentrate on its core UK outlets. It has also sold its conservative business in the US.

Mr von Brentano said the investigation into former Wickes bosses by the Metropolitan Police and Serious Fraud Office which began last month was not expected to result in any liability for the group.

He also confirmed that Sandford Sigloff, a US non-executive director closely linked to Mr Sweetbarn, would resign "in the foreseeable future".

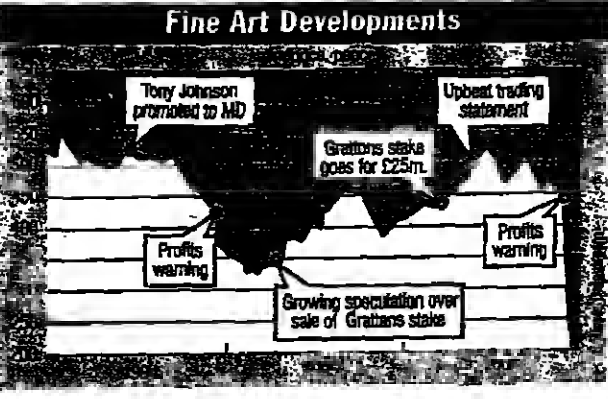
Management changes lift Fine Art shares

Magnus Grimond

Fine Art Developments, the greetings card to mail order group, saw its shares bounce 4p to 234p yesterday after it unveiled management changes and a restructuring programme to combat a slide in profits. Pre-tax profits fell from £6.2m to £2.07m in the six months to September, but the market was braced for bad news after a profit warning last month which has seen the shares nearly halve from 440p in November.

The group said Tony Johnson, who has been managing director since the middle of 1994, is to step up to become deputy chairman. His current role will be split between two joint managing directors, including Matthew Sharp, an existing director who will head the card and paper products division, and another to be recruited from outside, who will oversee the troubled mail order operation.

As part of plans to exit peripheral and poorly performing businesses, the group has sold its loss-making US mail order



business and said negotiations for the sale of Papertree, a loss-making retail chain, were at an advanced stage, with a conditional contract having been exchanged. Analysts said the two disposals would eliminate annual losses of between £2m and £2.5m, including a £1.4m loss in the first half.

Even so, Sean Eddie of NatWest Markets shaved his full-year profits forecast by a further £2m to £29m yesterday. Forecasts were around £44m before last month's warning.

Agency mail order accounted for £2.5m of the group profits shortfall in the latest six months, although some of the £7.5m drop in sales reported in November has been clawed back with an extra £4m marketing campaign, leaving them down £3.2m. The group blamed the recent postal strikes for around £1m of the profits downturn. Losses at the Dee operation are expected to double in the full year, Fine Art warned, but the major downturn will be at Express Gifts it said.

Company Results	Turnover £	Pre-tax £	EPS	Dividend
Reynolds and Reynolds (R)	33.1m (36.1m)	2.5m (4.7m)	4.07p (7.59p)	3.125p (3.125p)
Bracknell Group (P)	36.2m (34.4m)	6.2m (6.1m)	6.12p (5.55p)	5.7p (5.7p)
Corn UK (P)	21.7m (15.7m)	3.52m (2.65m)	6.79p (4.89p)	1p (0.75p)
Chaplin (I)	13.5m (14.3m)	-0.05m (0.17m)	-0.2p (0.8p)	0.85p (-)
DC Cook (I)	10.1m (8.7m)	2.2m (2.0m)	3.45p (3.15p)	0.8p (0.65p)
Comedyville Prop (P)	160m (149m)	3.14m (10.5m)	3.4p (12.7p)	2.25p (2.2p)
Enochson (I)	- (-)	0.54m (0.53m)	-1.59p (2.14p)	2p (1p)
Enochson (I)	16.3m (15.7m)	0.63m (0.83m)	3.44p (4.89p)	3.75p (-)
French (P)	1.45m (144m)	2.1m (6.2m)	1.71p (5.18p)	3.7p (3.7p)
Fine Art Developments (I)	1.15m (766m)	117m (101m)	32.1p (36.9p)	15.4p (14.2p)
Grimond Group (P)	49.3m (42.4m)	5.3m (5.5m)	6.4p (4.7p)	1.9p (1p)
Harvey Nichols (I)	55.5m (45.7m)	6.21m (4.58m)	5.8p (4.3p)	1.65p (1.4p)
Hawthorn (P)	41.1m (40.6m)	2.85m (3.72m)	10.68p (14.32p)	6.25p (-)
Jones, Brown (P) (I)	61.7m (556m)	88.3m (84.5m)	31.4p (32.8p)	14.3p (11.5p)
London Electricity (I)	- (-)	64.5m (43.2m)	68.2p (40.9p)	56p (-)
M&G Group (P)	17.4m (15.9m)	0.12m (0.12m)	0.2p (0.2p)	0.1p (-)
MS International (I)	2.15m (2.10m)	-3.15m (3.71m)	-6.7p (7.5p)	- (-)
Pharmacia (I)	37.7m (32.7m)	2.5m (3.3m)	3.9p (4.7p)	1.5p (1.5p)
Prochem (I)	45.4m (41.9m)	1.1m (1.2m)	3.3p (3.2p)	1.75p (1.75p)
Refinery Security (I)	41.7m (280m)	61.3m (61.7m)	12.37p (11.85p)	6.20p (4.70p)
Scandinavian Hydro (I)	0.95m (0.80m)	0.33m (0.28m)	33.3p (31.1p)	- (-)
John Lewis (I)	38.0m (31.2m)	12.85m (8.35m)	11.9p (8.9p)	4.5p (-)
Vivien (P)	45.1m (48.2m)	1.75m (4.2m)	1.5p (4.5p)	1.5p (1.5p)
Wainhomes (I)	- (-)	0.78m (0.44m)	0.82p (0.77p)	0.8p (-)
Whitbread (P)	- (-)	- (-)	- (-)	- (-)

(P) = Profit (I) = Interest (R) = Revenue per share (*) = Return per share

DTI charges Levitt with breaking ban

Julie Treanor
Banking Correspondent

The Department of Trade and Industry has charged Roger Levitt, the controversial former investment adviser, with breaking a seven-year ban on him conducting business as a company director.

The ban was imposed by the DTI on Mr Levitt in November 1993.

The DTI alleges that Mr Levitt took part in managing International Boxing Corporation, a sports promotion company, in contravention of section 13 of the Company Directors Disqualification Act 1986.

Hearings for the case are due to begin at Malborough Street

Magistrate's Court on Monday next week.

The action, which was instigated by the DTI on 20 November, also charges Michael Jacobs, a director of the firm, with aiding and abetting Mr Levitt.

The DTI also issued charges under section 447 of the Companies Act 1985 against Mark Segal, Cecil Halpin and John Wiffen for making statements which they knew were false that Mr Levitt was not involved in the management of the company.

If found guilty, then the charges against Mr Levitt could carry a six-month jail term or a £5,000 fine if the case is conducted in the magistrate's court. In a crown court, the maximum

penalty that could be imposed is two years in prison.

He managed money for wealthy and famous people through his financial services firm, The Levitt Group, which collapsed in December 1990 with debts of £34m.

Mr Levitt is a keen sports fan. He has acted as commercial manager to Lennox Lewis, the former world heavyweight boxer champion.

His connection with boxing continues via International Boxing Corporation which manages the affairs of Alfred Kotey, a star boxer from Ghana.

In the past he is thought to have owned nearly 1 per cent of Arsenal, the Premier League football club based in north London.

0900 29 29 29

Barcelona £49

Daily scheduled flight to Spain

easyJet

Amsterdam £35 • Scotland £29 • Nice £49

All fares single excl. tax subject to availability

every seat on every flight £49 single up to and including Dec 18th 1996

business

Britain's brilliant career in the services sector proves a myth

Britain is better placed than most to take advantage of a euro, according to the Chancellor in his speech to the House of Commons this week. Because British firms are so competitive, argued Ken Clarke, they will be able to leap in fast and enjoy the benefits of a truly single market brimming with euros.

It seems Mr Clarke believes British firms are ahead of the game, at least compared with their European counterparts. Thanks to downsizing, to an early and energetic shift out of manufacturing and into services, and to the flexible labour market, British companies are supposedly well equipped to meet the challenges of expanding markets. Lean, mean, sharp and sophisticated, so the story goes, British companies have been toughened and enlivened by the Thatcher revolution.

Squaring up to them, according to the story, are clumsy, flabby European monstrosities, complacent after decades cosseted in a cosy, corporatist pre-Thatcher world. Where British companies can supposedly deploy their workers in the most efficient and creative way (thanks to that flexible labour market), French and German companies are - we are told - held back by archaic labour market legislation.

But something in this tale just doesn't add up. If British firms were really so efficient, and so uniquely able to deploy labour in the best possible way, UK productivity should be high and rising. Output per worker should be higher in Britain than in Germany or France - at least in the service sector where we supposedly excel.

The truth is very different. New research suggests that Britain's employees are less efficiently employed than our counterparts in the US, France and Germany. Not just in manufacturing (where we have long known our weaknesses) but in the service sector too. British productivity levels lag

behind those of our three biggest competitors.

To discover what we are less efficient in service provision as well as manufacturing may come as something of a shock. The myth of the UK services miracle has become well enshrined. Some pundits even postulated in the Eighties that we could become the service centre for Europe, leaving manufacturing to our continental colleagues.

Service sector success was supposed to be our salvation, allowing us to shrug our shoulders at our poor manufacturing record. The service sector now accounts for substantially more output, more employment and particularly more employment growth, than manufacturing in every Western country.

In Britain, 40 per cent of jobs are in so-called market services - private sector services including everything from banking to hotels, but excluding public services and personal services like hairdressing. Only 17.5 per cent of jobs are still in manufacturing. The same story holds true for output: 37 per cent of our GDP is produced by market services, compared to only 18 per cent by manufacturing industry.

Were we to be ahead of the game in the wealth-producing, employment-rich service sector, it would be indeed promising for economic growth in future. Sadly it seems we have the same comparative weaknesses and inefficiencies in services as we do in manufacturing. So much for being competitive in Europe.

In a new pamphlet* from the National Institute of Economic and Social Research (NIESR), Nicholas Oulton and Janet Vass have examined productivity in market services in Britain, France, Germany and the US. They found that productivity was 38 per cent higher than in the UK (in other words for every £1 value



Yvette Cooper

Employment growth can't explain away the productivity gap. Since 1979 we have had one of the slowest job creation rates in Europe

added by a UK worker, the US employee adds £1.38 in the same period). France's service sector productivity is 36 per cent higher, and Germany's 34 per cent higher.

Even more surprising, they found that the gap between British and French or German

performance was bigger in the service sector than in manufacturing. So our banks, hotels and retailers are at more of a disadvantage compared to their European counterparts than UK car manufacturers.

Keen to find something we might be good at, the economists split the service sector down even further. But in every sector the results were broadly the same. US retailers were 44 per cent more productive than British retail workers. In hotels and catering, and in communications, our employees are more productive than the Germans, but the French and the Americans still beat us hands down. Even in banking and finance - the one thing we are supposed to excel in thanks to the City - our workers are less productive.

O'Mahony et al concede that if you break industries down even further there may be specific things we are very good at. For example, the British may indeed be the most productive foreign exchange dealers in the world. But in the research these NIESR economists have carried out, we emerge as extremely successful (compared to France and the US at least) in only one area: selling insurance.

The big question is: why are we so unproductive? From one point of view, low productivity need not be a bad thing at all. It could mean that more people are employed.

More people providing the same level of services and sharing the proceeds between themselves could be better for society than having a few people working hard and paid well while everyone else draws the dole. For example, Japan has a sector, which is heavily overstaffed, but which is tolerated because it keeps a lot of people in work.

There is some limited evidence to suggest that productivity growth was lower in Britain compared to Germany because we expanded service sector employment faster than

they did. As market services grew in both countries between 1979 and 1989, service sector employment grew faster in Britain, while service sector productivity grew faster in Germany.

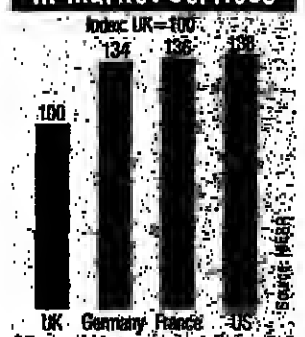
Even so, employment growth can't explain away the productivity gap. Our job creation record is too miserable for that. Since 1979, we have had one of the slowest job creation rates in Europe. Moreover, no one in this downsizing, hire-and-fire culture, could plausibly believe that the British service sector is deliberately overstaffed for social purposes. The Japanese example is not being replicated here.

So we shall have to look elsewhere for explanations of the persistent productivity gap. The British failure to invest properly, particularly in skills but also in infrastructure, emerges as a strong suspect. The same criticisms that have been made of our manufacturing record - inadequate investment, poor education and skills, bad management - for so long, appear to be relevant for our service sector too.

So Mr Clarke should sound a little less optimistic about Britain's ability to make the most of any economic opportunities a single currency zone might deliver. British companies in both manufacturing and services may be doing well relative to their European counterparts simply because we have emerged from recession rather earlier than France or Germany. But the underlying efficiency of British business - and the skills, infrastructure and climate for investment on which our companies depend - still leave much to be desired.

*Productivity in Market Services: International Comparisons, by Mary O'Mahony, Nicholas Oulton and Janet Vass, discussion paper No 105, National Institute of Economic and Social Research, 2 Dean Trench St, London SW1P 3HE

Relative productivity in market services



Rolling up in his Merc as the Tup pubs roll out ...

PEOPLE & BUSINESS



Fiat's Cesare Romiti's former PR is to edit Italy's 'Il Sole'

Hugh "Sooty" Corbett, the fun-loving publican who sold the Slug & Lettuce and Harvey Floorboards chains of bars, is firing on all cylinders with his new group of Tup pubs. Having opened the City Tup in Gresham Street last month, Mr Corbett says he is keen to open another City bar, possibly in Smithfields.

He wants to expand elsewhere in London and put in an offer for a site in Shepherd's Bush the other week but lost out to a rival. Another four London "Tup" pubs should open next year before Mr Corbett tries his luck outside the M25.

Between pub openings, the 50-something bar viewer is enjoying his new purchase which he describes as his "menopausal toy". It is a sleek, silver Mercedes convertible he bought last month. "When my wife saw it she said: 'Men your age either buy flashy cars or have a mistress.' I said: 'I've got both.' I think she realised I was joking."

If you cannot take over a newspaper, then why not do the next best thing and appoint its editor? In Italy the worlds of big business, politics and the media have a habit of overlapping. So it proved again yesterday when *Il Sole 24 Ore* - the Italian equivalent of the FT - announced that its new editor is to be one Ernesto Ancel, presently the head public relations man at Fiat.

Il Sole is controlled by the Italian equivalent of the Confederation of British Industry, an outfit called Confindustria. And guess which very large Italian car maker is one of the biggest movers and shakers in Confindustria. In fact, the Fiat chairman, Cesare Romiti, sits on its executive board, which was responsible for the press strike it staged in *La Stampa*, and is the largest single shareholder in Italy's top selling daily, *Corriere della Sera*.

Having its former chief spokesman as editor of the

country's most prestigious financial daily is an interesting addition - akin perhaps to Sir Tim Bell taking over Richard Lambert's chair at the FT.

Those *Il Sole* journalists who do not like the new setup are entitled to vote on Mr Ancel's appointment in the new year. But it won't do them much good. The Italian weekly *l'Espresso*, which is owned by the former Italian prime minister Silvio Berlusconi, recently appointed one Giuliano Ferrara as editor. Mr Ferrara failed to show of hands on the editorial floor. But he still got the job courtesy of the fact that his last post was as minister and chief spokesman in ... or ... the Berlusconi government.

Busy round of Royal goings on in Helmsley, north Yorkshire. Both Viscount Linley and Lord Lichfield were in the town the other day for a spot of shooting on the North York moors. They were staying at The Black Swan and both took time to pop into the local second-hand bookshop.

Viscount Linley and his wife were the first to drop by. They were busy browsing when Selina Linley suddenly cried: "Darling, they've got your book", pulling out a glossy tome on "extraordinary furniture." The bookseller promptly asked his Royal customer to

sign the thing, though I understand he is now not quite sure what to do with it.

Barely had the Linleys departed when Lord Lichfield came in. The shop had one of his titles too - a 1980s effort on beautiful women. His Lordship immediately bought it. "You can't get it any more," he explained. Are these people only interested in their own works, one wonders?

James Dyson, the entrepreneur who developed the super-souravay Dyson vacuum cleaner, is now cleaning up with a new book. *Dobing A Dyson* is a "how-to" tome charting the growth of the Dyson product with tips on simple little things like how to invent new technology, manufacture it and then take on the market leaders.

Dyson, who sponsored Sir Ranulph Fiennes in his recently aborted bid to walk unaided across Antarctica, had originally published only a limited edition of the title to support his exhibition at the Design Museum in London. Then Selridge asked if he would do a book signing at the Oxford Street store. A further print run has now been ordered and the intrepid suction merchant will be at Selridge tomorrow to sign them.

Nigel Cope

Foreign Exchange Rates

Country	Spot	1 month	3 months
US	1.5582	97.7	100.00
Canada	2.2500	54.40	104.10
Germany	2.5801	69.61	103.83
France	8.9891	217.98	640.80
Italy	253.37	31.45	103.23
Japan	167.57	95.91	281.27
EU	13.5898	21.18	66.61
Belgium	52.789	15.30	51.02
Netherlands	9.6223	22.77	65.55
Denmark	2.4783	12.74	261.22
Ireland	0.8973	5.1	16.10
Norway	10.722	60.90	390.27
Spain	25.501	12.71	31.48
Sweden	11.232	15.78	44.33
Switzerland	2.1281	9.56	282.22
Australia	2.0815	10.16	15.25
Hong Kong	12.287	38.42	240.83
New Zealand	2.3711	64.71	135.88
Saudi Arabia	6.292	0.0	0.0
Singapore	2.398	0.0	0.0

Interest Rates

UK	600%	Germany	2.50%	US	8.75%	Japan	0.50%
Base	6.00%	Base	4.50%	Prime	5.00%	Discount	2.50%
Intervention	3.20%	Canada	4.75%	Fed Funds	5.25%	Control	3.00%
Discount	7.5%	Denmark	5.00%	10-day Repo	6.75%	Switzerland	3.00%
Netherlands	Advances	2.50%	Discount	3.25%	Sweden	Discount	1.00%
					Repo (Avg)	Lombard	4.25%

Bond Yields

Country	5yr	10yr	15yr	30yr	Country	5yr	10yr	15yr	30yr
UK	7.1%	7.3%	7.1%	7.3%	Netherlands	8.1%	4.7%	5.7%	5.8%
US	5.7%	6.2%	6.5%	6.7%	Spain	8.7%	8.2%	8.7%	7.7%
Japan	3.5%	1.5%	1.7%	2.8%	Italy	8.2%	7.1%	8.1%	7.7%
Australia	9.1%	7.8%	1.0%	7.2%	Belgium	5%	4.6%	5%	6.0%
France	8.2%	4.5%	6.2%	5.0%	Sweden	1%	5.0%	6%	6.8%
Finland	7%	4%	5.5%	5.8%	EU Avg	6%	5.0%	7%	6.2%

Money Market Rates

Overnight	7 Day	1 Month	3 Months	6 Months	1 Year
Interbank	5.4%	5.4%	5.4%	5.4%	5.4%
Bankers' CDs	5.4%	5.4%	5.4%	5.4%	5.4%
Local Authority Depos	5.4%	5.4%	5.4%	5.4%	5.4%
Discount Market Depos	5.4%	5.4%	5.4%	5.4%	5.4%
Treasury Bills (Buy)	5.4%	5.4%	5.4%	5.4%	5.4%
Dollar CDs	5.4%	5.4%	5.4%	5.4%	5.4%
EUU Linked Dep	5.4%	5.4%	5.4%	5.4%	5.4%

Liffe Financial Futures

Contract	Settlement	High/Low	Settlement	Open
Long UK	100.00	100.00	100.00	100.00
Short UK	100.00	100.00	100.00	100.00
Long US	100.00	100.00	100.00	100.00
Short US	100.00	100.00	100.00	100.00

Liffe FTSE Index Option

Settlement price	3000.00	Settlement price	3000.00
Call/Put	3000.00	Call/Put	3000.00
Strike	3000.00	Strike	3000.00
Delta	0.50	Delta	0.50
Gamma	0.01	Gamma	0.01

Industrial Metals

Aluminium	1000	1000	1000
Aluminium	1000	1000	1000
Aluminium	1000	1000	1000
Aluminium	1000	1000	1000

Precious Metals

Gold	1000	1000	1000
Gold	1000	1000	1000
Gold	1000	1000	1000
Gold	1000	1000	1000

Agricultural

Wheat	1000	1000	1000
Wheat	1000	1000	1000
Wheat	1000	1000	1000
Wheat	1000	1000	1000

Other Spot Rates

Country	Spot	1 month	3 months
US	1.5582	97.7	100.00
Canada	2.2500	54.40	104.10
Germany	2.5801	69.61	103.83
France	8.9891	217.98	640.80
Italy	253.37	31.45	103.23
Japan	167.57	95.91	281.27
EU	13.5898	21.18	66.61
Belgium	52.789	15.30	51.02
Netherlands	9.6223	22.77	65.55
Denmark	2.4783	12.74	261.22
Ireland	0.8973	5.1	16.10
Norway	10.722	60.90	390.27
Spain	25.501	12.71	31.48
Sweden	11.232	15.78	44.33
Switzerland	2.1281	9.56	282.22
Australia	2.0815	10.16	15.25
Hong Kong	12.287	38.42	240.83
New Zealand	2.3711	64.71	135.88
Saudi Arabia	6.292	0.0	0.0
Singapore	2.398	0.0	0.0

Tourist Rates

Country	Spot	1 month	3 months
US	1.5582	97.7	100.00
Canada	2.2500	54.40	104.10
Germany	2.5801	69.61	103.83
France	8.9891	217.98	640.80
Italy	253.37	31.45	103.23
Japan	167.57	95.91	281.27
EU	13.5898	21.18	66.61
Belgium	52.789	15.30	51.02
Netherlands	9.6223	22.77	65.55
Denmark	2.4783	12.74	261.22
Ireland	0.8973	5.1	16.10
Norway	10.722	60.90	390.27
Spain	25.501	12.71	31.48
Sweden	11.232	15.78	44.33
Switzerland	2.1281	9.56	282.22
Australia	2.0815	10.16	15.25
Hong Kong	12.287	38.42	240.83
New Zealand	2.3711	64.71	135.88
Saudi Arabia	6.292	0.0	0.0
Singapore	2.398	0.0	0.0

Latest Unit Trust Prices

Unit Trust	Price	Unit Trust	Price
Unit Trust	Price	Unit Trust	Price
Unit Trust	Price	Unit Trust	Price
Unit Trust	Price	Unit Trust	Price

Commodity Indices

Index	Value	Index	Value
Index	Value	Index	Value
Index	Value	Index	Value
Index	Value	Index	Value

GSCI Indices

Index	Value	Index	Value
Index	Value	Index	Value
Index	Value	Index	Value
Index	Value	Index	Value

Other Softs

Soft	Price	Soft	Price
Soft	Price	Soft	Price
Soft	Price	Soft	Price
Soft	Price	Soft	Price

Liffe FTSE Index Option

Settlement price	3000.00	Settlement price	3000.00
Call/Put	3000.00	Call/Put	3000.00
Strike	3000.00	Strike	3000.00
Delta	0.50	Delta	0.50
Gamma	0.01	Gamma	0.01

Liffe FTSE Index Option

Settlement price	3000.00	Settlement price	3000.00
Call/Put	3000.00	Call/Put	3000.00
Strike	3000.00	Strike	3000.00
Delta	0.50	Delta	0.50
Gamma	0.01	Gamma	0.01

Liffe FTSE Index Option

Settlement price	3000.00	Settlement price	3000.00
Call/Put	3000.00	Call/Put	3000.00
Strike	3000.00	Strike	3000.00
Delta	0.50	Delta	0.50
Gamma	0.01	Gamma	0.01

sport

Bury fashion own line in success

Guy Hodgson on a Second Division club who are proving the benefit of positive thinking

If you wanted to explore football's "if only" by travelling along one road you could do worse than take the A56. Old Trafford, home of the richest club in the world (self-proclaimed), lies just off the Chester road, 12 miles north there is Gigg Lane, and, as they say locally, there is unfashionable and there is Bury.

A hundred years ago there was a similar power divide except then the more northerly club were in the ascendant. Bury were about to win the FA Cup twice in four seasons – with an aggregate score of 10-0 no less – while Newton Heath, now known as Manchester United, were heading for bankruptcy. Destiny is not always mapped out by a good start to life.

Which makes the bright times appreciated all the more and you have to go back a long way since things have looked so promising at Bury. Newly promoted, they are third in the Second Division, one point off the lead with a game in hand, and could go top of the table tomorrow with a victory at Gillingham. They may have been overtaken, and some, by Manchester United but they are at least thriving in a league of their own.

"Our ambition this year is to stay in the Second Division," Stan Ternent, their manager, said, "and at the moment we're ahead of schedule. The sooner we get to 50 points and ensure our survival the better, then we can all relax a bit."

Ternent is the sort of manager who never gets a mention when it comes to the game of naming successors for high profile jobs, yet he has performed minor wonders on a budget that even clubs in Bury's division (Bristol City, Watford, Preston and Millwall come to mind) would find derisory. Before that, he had success at Bradford, Hull and, as assistant manager, to Steve Coppell at Crystal Palace.

Bury's financial position, which would be virtually untenable without the help of their London-based benefactor,



High ground: Stan Ternent's Bury side are on the crest of a wave with top spot in the Second Division beckoning

Photograph: Peter Jay

Hugh Eaves, is allied to geography. Potential supporters are within an hour's drive of five Premiership clubs and given the choice of watching the Yeboahs and Fowlers of this world rather than Wycombe or Gillingham they have voted with their feet. A 4,000 crowd at Gigg Lane is reason for satisfaction, 5,000 a party.

Players, too, find the magnetic draw of bigger clubs irresistible as the workplace of Gary and Phil Neville, whose parents are employed by Bury, testifies. Yet while many clubs in what estate agents call the M62 corridor resent the Premiership's increasing pulling power, Bury stress the positive. They are not supping with the devil but have

made an accommodation with him and Manchester United's reserve team use Gigg Lane as their home.

"United don't come into the equation," Ternent said. "Their fans are all season ticket holders and you couldn't get a ticket for Old Trafford if you tried. Liverpool and Blackburn are similar. And there's the flip side. Not every player can get into the first team at the bigger clubs and we're in an ideal position to monitor that."

What about Bury as a potential junior side for Manchester United? "I wouldn't mind some of their juniors," Ternent replied quickly as a flash, before adding: "The bigger clubs are going to get even bigger and it's feasible that Bury might become a nursery club. But it's some way down the road and there's a lot of competition round here. Stockport County, Rochdale or any number of clubs might fancy the idea themselves."

"There would also be a reluctance to lose the club's identity. Great players like Colin Bell and Neville Southall began their careers at Bury and we've got a good crop of youngsters coming through. I wouldn't mind being here in two or three years' time to see how they've developed."

The fate of Mick Walsh, who brought expectation and Ternent to Gigg Lane and was later dismissed, illustrates the

chance element in football management that makes even projections into the near future risky. Then there is the stress that laid Coppell low at Manchester City and afflicts everyone running a football team.

"He's a close friend, Steve," Ternent said of Coppell, "and I was absolutely amazed when he left Maine Road. He's a very good football manager and an honest lad who is mentally extremely tough, so there'll be a good reason behind his decision. But if it's down to the hassle of management I can well understand why."

"Stress is part of the territory, you learn to deal with it and it only becomes a problem when it affects your family. But

I'm the last person to notice when things start getting to me. Sam Ellis [his assistant manager] will say to me 'Look gaffer, I think you need a couple of days off. I've not spoken to Steve yet but he'll tell me what the problem was.'"

The problem for Ternent is the anticipation that is growing in Bury. "Everything is rosy in the garden at the moment but the test will come when we lose three or four on the trot. So far we have the knack of winning straight after a defeat but a hip will come and we have to see how we will deal with it. Knowing Bury it'll be well. We're a family club, we're all in it together and if there's a problem we all have a say."

United Arab Emirates

The Asian Cup matches between such politically sensitive opponents as Iran and Iraq, and Saudi Arabia and Iraq, have – so far – passed off peacefully both on and off the pitch. The biggest fuss at the tournament this week has, it seems, been caused by... helicopters.

Kuwait complained that helicopters hovering over the Zayed stadium in Abu Dhabi had distracted their players during their 3-2 defeat to the host nation, the United Arab Emirates. The Kuwaitis squandered a first-half two-goal lead to lose the match.

"I have directed the higher Organising Committee that there shall not be any further helicopter flights directly over the stadium during matches," Peter Vella, the secretary general of the Asian Football Confederation said.

Despite their airborne distractions, Kuwait managed to qualify for the quarter-finals, where they will face Japan on Sunday. That is a fortunate turn of events, for if they had had to face Iraq, their Gulf War invaders, they would have withdrawn from the tournament. Iraq, who have done better than expected at the tournament, face the hosts, the UAE, instead.

Netherlands

Some of the most powerful and profitable Dutch clubs are considering setting up a new super league, according to reports yesterday in the Netherlands. A meeting of top club chairmen is planned for tomorrow in Eindhoven, where the formation of a smaller top division will apparently be discussed.

The current *Honour Division*, the top league, has 18 clubs. A PSV Eindhoven spokesman said that the meeting was "a brainstorming session" and claimed not to know what was on the agenda.

Ajax, Feyenoord and PSV would obviously be part of any new league – and there have been rumours that top Belgian clubs like Anderlecht might be involved.

The meeting comes at a time when the administration of football in the Netherlands is in crisis following the resignation of the board of directors of the Dutch Football Association over a failed television sports channel. Ajax and Feyenoord effectively scuppered the channel by



around the world

Bulgaria

All is not well within the Bulgarian national team, where internal strife seems rife. One of their leading strikers, Lyuboslav Penev, has demanded the resignation of top football officials and has said he will boycott tomorrow's World Cup qualifier against Cyprus.

"I will always play for Bulgaria, but not while this management is in power," Penev said on Bulgarian television when he appeared with fellow player Hristo Stoichkov on Monday. Penev had been dropped for making offensive comments during a television interview after Euro 96, and was not recalled until this weekend's game.

Penev said that the Bulgarian football union, UBF, had not told him he had been dropped from the national side, leaving him to hear about it from the media. The UBF will hold a special meeting on 20 December, after accusations by some clubs of mismanagement.

Italy

Italian male striptease artists revealed plans this week to form a "national" team to raise money for charity. The self-styled Italian national striptease soccer federation said they would train twice a week and play together every two weeks.

A spokesman said they would play in white and blue shirts rather than their usual working attire. "No loin-cloth, we prefer a classical uniform," the captain and federation president, "Nicolas", said. "After all, we are professional strip artists, not gigolos." They will be coached by the former Roma defender Enzo Romano, who now runs a gym.

Rupert Metcalf

League extends its deadline

Non-League notebook

RUPERT METCALF

GM Vauxhall Conference clubs are to be given another three months to ensure their grounds are up to the required standard to gain acceptance to the Football League, which has extended the deadline for the Conference champions to meet its stipulations from New Year's Eve until 1 April.

In the past three seasons the Conference winners – Kidderminster Harriers, Macclesfield Town and Stevenage Borough – have been denied promotion because they failed to improve their grounds by 31 December. The new April deadline was prompted by comments made

by the judge in the unsuccessful High Court case brought by Stevenage against the League, when they protested against their exclusion.

Chris Hull, a League spokesman, said: "The High Court found in favour of the Football League, but we listened to the comments made by the judge and felt it necessary to revisit the rules and amend them accordingly. The proviso that the assets of clubs coming into the Football League must outweigh their liabilities for them to gain acceptance into the League will no longer be in place."

"However, the League will still be looking at clubs' finances... to make sure they are in reasonable health and not in receivership."

The Kidderminster manager, Graham Allner, said: "It's a move in the right direction but, as time goes on, I think the rule will become more irrelevant because more and more clubs in the Conference will get their grounds up to standard as a matter of course."

At the top of the Conference, Kidderminster, whose Aggborough ground is now fully adequate for the Football League, enjoy an 11-point lead after a 1-0 win at second-placed Macclesfield on Tuesday.

In the third round of the FA Carlsberg Vase tomorrow, Stamford will have plenty of Wembley experience on their side when they travel to Hinkley Athletic. The Lincolnshire side can field Dave Bennett and

Mickey Gynn, who played for Coventry City in their 1987 FA Cup final win over Tottenham – plus David Speedie, who performed at the national stadium for Scotland against England the previous year.

Speedie, the former Chelsea and Coventry striker, plays in midfield for the Uxbridge United Counties League club, who also have two former Peterborough men: Milton Graham and Trevor Quow. Graham is in good form up front, having scored a hat-trick in last weekend's 3-1 win over Eynesbury.

Stamford won the Vase in 1980 and were runners-up in '76 and '84. The biggest Vase crowd could be at Farnham Park, though, where Bridgewater entertain their Somerset rivals, Taunton.

Give it a light kick and it will run and run.



No other watch in the game has stamina like the Citizen Eco-Drive. Powered by light, just a few minutes is enough to make it run and run. A few hours keeps it going for up to six months. So you'll never need to change the battery. A performance you'd expect from Citizen, the first to bring the world this technology. Prices from £79.50. Alarm chronograph model illustrated £195. 3 year guarantee. For a brochure and your nearest stockist, call 01753 897210.

●CITIZEN Eco-Drive

Old golden spikes speaks

Among the quotations which punctuate Michael Johnson's account of his life is one by a sixth-century Chinese philosopher, Lao-tzu: "He who conquers others is strong: he who conquers himself is mighty."

By that token, the 29-year-old Texan who this summer became the first man to win Olympic 200 and 400 metres titles is, well, mighty strong. No one has beaten him over nine laps since 1989, and his achievement in lowering his own 200m world record to 19.32sec in Atlanta was one of the all-time great Olympic performances.

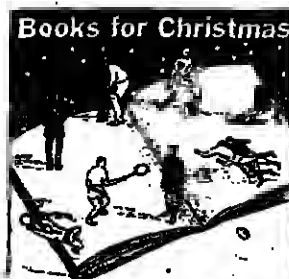
Johnson is an exceptional athlete, and his book – an exhaustive self-scrutiny – gives a real insight into what his endeavours have required.

Athletic performances are only a part of it. Here is a contender for the world record in positive thinking, a man whose victories have been forged within before he steps on to the track.

There are passing observations of others, and some devastating criticism of that other pre-eminent US athlete, Carl Lewis. But all this is a matter of a runner's peripheral vision as Johnson devotes himself to the implied challenge of the book's title – *Slaying The Dragon* (Piatkus, £10.99).

"For each of us," he writes, "that dragon is the thing closest to the centre of our lives. It is our core, our ambition, and our joy. For me, it is the perfect race."

The key words for Johnson in fashioning his unmatched career are: consistency, order, self-discipline. Johnson's coach, Clyde Hart, tells the story of how he once discovered his charge training in a rainstorm when every other athlete had taken the day off. "You never know when



Books for Christmas

you might have to run in the rain," Johnson replied.

When he was studying "finite math" at Baylor University in 1987, and having grave difficulty in mastering it, he evaluated his position and recognised the fact that he was better at understanding his mathematical coefficients at 6am. "Finally," he said, "I did something very difficult for a college student. I began going to bed at 8pm."

The style is the man. What gives Johnson's narrative particular force is the fact that he has triumphed after traumatic experiences in previous Olympic years. In 1988, injury prevented him qualifying, and in 1992 his position as clear favourite for the 200 metres gold was calamitously undermined by the effects of food poisoning.

"I wondered if I would be one of those athletes who is at the top of his sport but never wins the highest event," he writes. "I like a talented boxer who blows his only title shot or a great baseball player who never makes it to the World Series."

In the great tradition of all self-help manuals, Johnson explains how he turned such setbacks to his advantage in using them as a motivational tool. But the

earnestness which this book has in common with many another American self-help manual is tempered by little flashes of wry humour in the narrative.

"I hope to get married and start a family, although these goals need a different kind of planning... for instance, this is not a goal that will work: 'Memo to self: fall in love, April 1998.'"

There are some things in this life that even Michael Johnson cannot control.

The subjects of *Richard and Fiona Bailey's The Road To Glory* (Quiller Press, £25) also have things in their life which they cannot control in the form of disabilities. But this photo-essay, subtitled "Portraits of Britain's Paralympians", is a book not about disability, but competitiveness.

"When I hear commentators say it is lovely that disabled people can take part in sport, and that they do it for fun, I think about all the times I get up at 5am, ride up a hill for five miles non-stop and almost collapse at the top from exhaustion," comments the cyclist Robert Allen. "The word fun is not on my mind. Winning is."

Black and white photos of a range of sports from athletics to powerlifting give graphic evidence that Allen's philosophy is a shared one.

The *Runner's Handbook* (Penguin, £9.99), by Bob Glover, is now designated as "all new" after updating this year. But it is packed with down-to-earth advice for the ordinary runner, from choosing a time for exercise or a pair of shoes to devising strategies to deal with aggressive dogs or people encountered en route. Humorous and informative – a good combination.

Mike Rowbottom

Shakers all over
Bury are flying high in the
Second Division, page 28

England face the loss of De Glanville

Rugby Union
CHRIS HEWETT

One door shuts, another slams in your face. Phil de Glanville went from captain under pressure to captain in absentia yesterday, completing a thoroughly miserable and morale-sapping week by withdrawing from tomorrow's international against Argentina at Twickenham because of a worsening thigh strain.

If it was rotten luck for the Bath centre, who has been struggling for full fitness all season, the timing added insult to injury. De Glanville must now watch Will Carling and Jeremy Guscott, the only players in British rugby who can boast almost sacred status, resume a partnership in the England midfield that at least half the nation appears to believe should never have been severed in the first place. The last thing De Glanville needed was to give his critics, who went for the jugular after his performance against the New Zealand Barbarians just under a fortnight ago, even the remotest opportunity of saying: "I told you so."

Jason Leonard, the Harlequins captain and all-round good egg, will lead the side against the Pumas - the team

against which he began his Test career six years, two World Cups and 50 caps ago. That in itself is a bitter irony for De Glanville, who aggravated his injury while playing for Bath against Quins on Saturday - a game Leonard wisely sat out to rest a dodgy hamstring. "Had I played and torn my hamstring I would have been out for three weeks minimum," the Londoner said. "It'll be fine for tomorrow."

As usual, Leonard was a paragon of diplomacy yesterday - "Phil is my captain and as far as I'm concerned, my job is to continue the things he has started for one game and one game only" - but it would be folly to deny that De Glanville's grip on events might be loosened further by some vintage Carling-Guscott Pyrotechnics tomorrow.

The England coach, Jack Rowell, mounted a defence of sorts on behalf of his first-choice captain by insisting: "This is a setback; we have a young and inexperienced side and we were looking to keep it together during the pre-Christmas programme." But pressed on his likely reaction to strong performances from both Carling and Guscott against Argentina, he replied: "I've always said the captaincy is subject to form and fitness." That answer was rather

more evasive than De Glanville might have hoped for.

With Guscott moving inside from his original position of left wing, Tony Underwood gets a heaven-sent opportunity to make a renewed impact at the top level. The Newcastle wing did himself few favours at Twickenham last weekend, where his display for the Barbarians against the Wallabies was curiously half-baked for someone with so much to prove, but at least the No.11 shirt will now be filled by a player with a horn instinct for the role.

There may yet be another change to the line-up. Mike Catt, the outside-half and goal-kicker, could not train at Twickenham yesterday because of a chest infection and although the England management were "90 per cent confident" that he would recover to face the Pumas, Northampton's Paul Grayson was put on stand-by. If Catt withdraws to give Alex King a first cap, England will be in the novel position of having the two best marksmen in the country - Grayson and Jon Callard - on the bench.

For all De Glanville's misfortune, no one will begrudge the eternally popular Leonard his moment of glory. "As a kid, I probably dreamed about this," he said. "But I also know from my serious neck injury in 1992 just how fickle rugby can be. This is a wonderful honour and I'm grateful."

At 28, his enthusiasm for life in the darkened recesses of a Test from a row remains undimmed, largely because he believes England have the makings of a pack to rival, even to surpass, the great unit of the early 1990s. "When I came into the side I was able to learn from players of the stature of Winterbottom, Dooley, Probyn and Moore. Now we have a collection of youngsters who want to get out there and make the game theirs. There is enormous potential everywhere you look in this pack; the only thing it lacks is the cohesion of the last outstanding set of forwards, who had 20 or 30 games together. When we develop that cohesion, we will be in a position to match anything that has gone before."

Nick Walshe, of Harlequins, takes over the scrum-half, Matt Dawson, in the England A team to play Queensland at Gathead tonight. Saracens' No. 8, Tony Diprose, regains the captaincy from Dawson, who has a knee injury. Bath's Joe Ewens comes in for the injured Newcastle centre Andrew Blythe and the Harlequins flanker Bill Davidson replaces the injured Martin Corry of Bristol.

Bateman for Wales, page 29

Stransky joins Tigers in £300,000 deal

Not even the most fanatical Leicester supporter would claim that the Tigers were the most expansive rugby team on earth, so it was entirely appropriate that they should have completed the signing of the South African outside-half Joel Stransky yesterday. As the All Blacks discovered to their cost at last year's World Cup, Stransky can kick like a mule, writes Chris Hewett.

In fairness, however, Stransky's arrival at Welford Road should give Leicester a new dimension - one that might just bring them a third Courage League title this season. Certainly, the Tigers coach, Bob Dwyer, believes the 29-year-old Springbok from Natal to be "a complete player who can run with the ball as well as master all aspects of the kicking game".

Just 18 months ago, Stransky was the hero of South Africa after scoring 15 points to beat New Zealand in the World Cup final. But that was then. The new Springbok coach, Andre Markgraft, ditched his most experienced playmaker after last summer's Tri-Nations tour-

namment and although Stransky has more than a year left on his national contract, he has been cleared to sign a deal here worth an estimated £300,000 over two-and-a-half years.

"Leicester have a fantastic stadium, a wonderful crowd, a great tradition and a ball-winning set of forwards - and all outside-halves enjoy playing behind that sort of pack," he said. "I'd like to think I have a chance of representing my country again, but I have to be realistic; the selectors pick their side on the basis of domestic rugby in South Africa and they won't send people over here to watch every weekend."

Stransky will almost certainly not be available for Leicester's European Cup semi-final with Toulouse on 4 January; he is expected to play as soon as work permit regulations have been completed, probably by the middle of next month. He is the second member of South Africa's World Cup-winning side to sign for an English club. Last week, the former national captain Francois Pienaar agreed a deal with Saracens.



Hitting out: Mike Atherton, the England captain, at the crease in Bulawayo yesterday. Photograph: Chris Turvey/Emphas

Atherton finding his form

Cricket

DEREK PRINGLE
reports from Bulawayo
England 334 & 230-5 dec
Zimbabwe 188 & 5-0

Since taking over as England captain, Michael Atherton has probably lost count of the amount of different pinkbatters he has had to take for his bothersome task.

If he has not, then he would know that they outnumber, by some distance, the times England have been allowed the luxury of setting their opponents a target, which, thanks to a 'bright' half-century from the captain himself, and a more primeval effort from Graham Thorpe, England were able to do by asking Matabeleland to score 377 to win. A target - even with England's history of ineptness - that ought to be well beyond what is probably the weakest first-class batting line-up in the world.

Atherton, never one to fret unduly over his own form, could have pursued victory earlier by declaring sooner. As it was, he opted to let Thorpe and Nasser Hussain have lengthy stays at the crease. Much needed in Thorpe's case who, after a scrappy start to last year's tour of South Africa, seems slowly to be finding his touch: a fact his tally of nine boundaries, one a moved six over midwicket, appears to indicate.

However, it is the skipper's form that will probably decide

whether or not the batting jigsaw will fit together in time. When he scores runs, England usually post competitive totals. When he fails, they invariably chase the game, rarely catching anything but a beating.

Judging Atherton's form is never easy, particularly in non-internationals. Like his pinkbatters (which he has to change regularly) the England captain has also clearly built up a tolerance to adrenaline, the levels of which now needed to "turn him on" being rarely available outside the Test and one-day arena.

Yesterday you could sense that facing a Matabeleland attack containing barely two useful bowlers - Heath Streak, the Zimbabwe opening bowler, was apparently resting and, although he fielded, he did not bowl - only half stirred his juices. In truth, it probably needed the early dismissal of Nick Knight, low to Henry Olonga, to encourage a more diligent approach.

With his feet moving well, courtesy of a looser pain-free back, his shot selection was

spot on, and he struck the ball with the crisp efficiency of a confident man. "Real Atherton shots," said David Lloyd, England's coach, who must also have been pleased at the fluency of Nasser Hussain's 40.

When Atherton reached his fifty, any lingering caution was instantly disposed of, and the horrible crahed shot that brought his demise, as he tried to drag the left-arm spinner Vaghmaria over midwicket, would never have seen the light of day had his score been destined for the Test match and not the first-class section of Wisden.

He is a man who rarely doubts his knowledge of self, and then only as captain. As a batsman, he usually knows after a five-minute net if he is either in or out of nick. Officially, of course, he has been having a poor run of scores. Yet he maintains that he feels in control and that only the soreness and stiffness in his back has been a limiting factor. A problem has currently been solved by two cortisone injections into the hot spots in his lower spine. A "cure" that cannot be read-

ministered too often for fear of joint damage.

With Darren Gough claiming his sixth wicket in the innings - though neither he nor Andy Caddick were able to strike as effectively as the flustered spinners which halted play soon after the home side began their second innings - England appear to be timing their international campaign with military precision. "We've got used to the conditions now," Lloyd said. "In fact we are exactly as we thought we would be at this stage." A position every England supporter hopes will travel well to the new stage at Queen's Park, five minutes down the road, where the serious stuff starts in a few days' time.

Getting's ambition, page 29
How Lord's put the fab in pre-fab, Tabloid, page 5

Mansell's return now more likely

Motor racing

Nigel Mansell's burning desire to prove he is still the best of British is spurring him on to a comeback, says the man who has given the former world champion a Formula One chance in testing.

Team owner Eddie Jordan believes Damon Hill's world championship success this year and Mansell's frustrating time with McLaren have made the Englishman consider returning to the sport.

Mansell, the 1992 world champion, ended his two-day test in Barcelona on a high yesterday and he looks increasingly likely to line up on the grid again next season.

"I believe he sees himself as still being the best British racing driver," Jordan said yesterday. "Damon winning the championship has spurred him on."

"I was surprised at how lean and fit he was looking, but the decision has to come from Nigel. There will be no pressure from Jordan in any shape or form."

Mansell completed the two-day test at the Circuit de Catalunya track yesterday and will ponder his future with his wife, Roseanne, but the thrill of Formula One is clearly exerting an influence. "I don't think the taste for motor racing ever went away," Mansell said after driving a grand prix car for the first time since ending his abortive two-race comeback with McLaren 19 months ago.

"It does give you a buzz but it can frighten the hell out of you. It's the closest thing to the edge of life you can get."

Over the next few days, he will consider his future and the future includes the possibility of driving again next year in several different formulas.

"Unless it is for the right reasons there is no point making the commitment, because if you do you have to breathe, eat and sleep the sport."

"But this has been a wonderful experience and I would like to thank Eddie and the Jordan team for just giving me the opportunity without any pressure."

Mansell, who was three-tenths of a second slower on Wednesday than Jordan's new driver, Ralf Schumacher, after 49 laps, did another 16 circuits in the wet yesterday. He clocked 1min 45.79sec, two seconds down on Schumacher though he had the worst of the conditions.

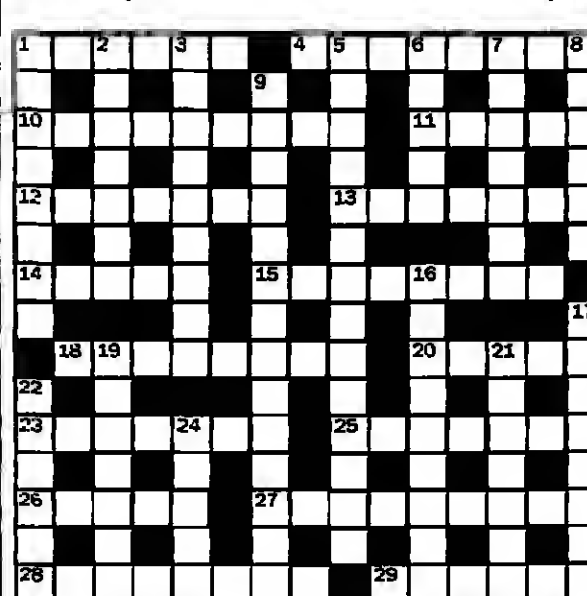
"I haven't spun the car and did a reasonably good time," the winner of 31 grands prix said. "We were sensible this morning in the wet because the car was difficult to drive."

THE INDEPENDENT CROSSWORD

No. 3169, Friday 13 December

By Phil

Thursday's Solution



- ACROSS**
- Writer making copy in extremes of style (6)
 - Bones not quite twisted, to tell the truth (8)
 - Office equipment given a trial in wet surroundings (4, 5)
 - Fairy-tale author kidnapping introduction of mawkishness (5)
 - Manager to get rid of loot (7)
 - Muppet dancing - nothing with a beat 1, 2, 3 (5)
 - Humour one dead after battle (5)
 - Make dirt, possibly? It's what dirt makes (8)
 - Try and try again to give a shout of support (4, 4)
 - Nokleman's first away in the dark (5)
 - Painter depicting sailor around one ship (7)
 - News report finished after showing part of boxing-match (5, 2)
 - Fish seen in river round a church (5)
 - Subject salesman has in fix it on returning (9)
 - Road heading for Hamburg (but no AA available for breakdown) (8)
 - Throwing half away when some fish get caught in net (6)
- DOWN**
- It's not the most obvious way to solve this clue! (8)
 - Barrel brought into bar overlooking a domed building (7)
 - Witness partnership at wicket getting in extra runs (9)
 - Conceded and restrained with blows, we hear (4, 5, 5)
 - Valid to make one's escape? (5)
 - One making an effort, going round miles and miles, becoming less tubby (7)
 - No Conservative blokes to be promoted - that's unanimous (3, 3)
 - Notice the careers developing in a branch of advertising (6, 8)
 - Chap is able to go round University in a Northern city (9)
 - When might one go "Owl" if pushed? (2, 1, 5)
 - Rage after English conservation group's taken over competitor (7)
 - I half-wake after shower of gold resembling Zeus? (7)
 - Honour among thieves at Rome, possibly (6)
 - Man in India shows prejudice about beginning of Hindu uprising (5)

©Published by Newspaper Publishing PLC, 1 Canada Square, Canary Wharf, London E14 3DL, and printed at Merton Colour Print, St Albans Road, Watford.
Back issues available from Historic Newspapers, 01906 340373.
Printed 13 December 1996. Registered as a newspaper with the Post Office.

Townsend bid rejected

Football

Aston Villa have rejected a £700,000 bid from Celtic for their 33-year-old Republic of Ireland captain Andy Townsend.

The Villa manager, Brian Little, said: "We have received a bid from Celtic. It was done between the two chairmen, but I don't want any of my first team players to leave. If Celtic come back with a new and improved offer I shall tell them to up it and then say no again."

Villa's right-back Fernando Nelson has received a late call-up to the Portugal squad for tomorrow's World Cup qualifying match against Germany in Lisbon. Nelson, 25, has been capped five times.

George Graham, the Leeds manager, yesterday informed Tony Yeboah that he wants the Ghanaian striker to remain at Elland Road. Yeboah has complained at his lack of first-team opportunities since his recent return from injury.

"I told him that if he has problems he should come and see me in my office, not go running to

the papers," Graham said. "The club is on the up and up and this is a kick in the teeth. But the team spirit is fantastic and we will not let this outburst spoil it."

Manchester United are to leave The Cliff in Broughton next season and move to a new training ground in the south-west of the city, subject to planning permission. The new complex will cost around £10m.

Manchester City have released Michael Frontczek. They have retained his registration, however, and will expect a fee if the German international full-back finds another club.

Keith Gillespie of Newcastle has pulled out of Northern Ire-

land's squad for tomorrow's World Cup game against Albania in Belfast with a groin injury.

Southampton have won approval to build a £35m all-seater stadium on the outskirts of the city. The Saints, who are to be floated on the Stock Exchange, have fought a six-year battle for permission to build the 25,000 stadium at Stoneham.

The Football Association, who this week docked Brighton two points for crowd disturbances, yesterday urged fans to stop their campaign of disruption and give peace talks a chance.

Supporters of Brighton are being urged to give a team of professional mediators the best chance to find a settlement to the club's internal problems, the FA statement said.

A LITTLE SOMETHING FOR CHRISTMAS



Here's a little Christmas present for all our Mercury customers. On Christmas Day and New Year's Day, all long distance calls to anywhere in the UK will cost just 1p per minute. And all international calls will be charged at our economy rate. If you're not with Mercury, but you'd like to enjoy 1p per minute calls this Christmas, call us now on Freecall 0500 200 950. Or hasn't the penny dropped yet?

A CABLE & WIRELESS COMPANY
MERCURY
All prices include VAT at 17.5%. All calls have a 3.5p connection charge. QoS available. Mercury Call and Business Centres. Mercury Mercury Service Call on 11. Mercury and Mercury's standard terms and conditions apply.